

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Labor and Workforce Development Performance Measures**

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## Department of Labor and Workforce Development

### Mission

The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment.

### Core Services

The Office of the Commissioner RDU provides direction in the administration of the department's programs and facilitates the resolution of disputes between organized labor and public employers.

The Administrative Services RDU provides management information and support services to the department, develops and distributes labor market and population information, and conducts labor force research. The division's support services include fiscal, publications, budget and data processing.

The Workers' Compensation RDU administers the state's Workers' Compensation Act, the Fishermen's Fund and the Second Injury Fund to aid Alaskans with employment related injuries and illnesses.

The Labor Standards and Safety RDU provides enforcement, training and monitoring of the laws governing occupational safety and health, wages and hours, child labor and the safety of certain mechanical devices and hazardous substances.

The Employment Security RDU assesses and collects Unemployment Insurance (UI) tax, pays UI benefits, operates a public labor exchange and provides adult basic education services.

The Business Partnerships RDU provides policy planning, designs and implements training programs for the State Training and Employment Program (STEP) and is the grantee for all Workforce Investment Act federal grants.

The Vocational Rehabilitation RDU assists individuals with disabilities to obtain and maintain employment.

End Results	Strategies to Achieve Results
<p><b>A: Full employment of Alaska workforce.</b></p> <p><u>Target #1:</u> Decrease the percent of non-residents working in Alaska by 2% per year.</p> <p><u>Measure #1:</u> Percent of non-resident workers in Alaska.</p>	<p><b>A1: Enforce the provisions for resident hire preference on public construction projects.</b></p> <p><u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements.</p> <p><u>Measure #1:</u> Percent of certified payrolls reviewed for compliance.</p> <p><b>A2: Increase the number of Workforce Investment System participants who get jobs.</b></p> <p><u>Target #1:</u> Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.</p> <p><u>Measure #1:</u> Percent of Workforce Investment System participants that enter employment.</p> <p><u>Target #2:</u> Increase the number of Workforce Investment System participants by 500 as compared to the previous year.</p> <p><u>Measure #2:</u> Change in number of Workforce Investment System participants.</p>

	<p><u>Target #3:</u> Equal prior year's number of employed individuals with disabilities exiting vocational rehabilitation.</p> <p><u>Measure #3:</u> Number of employed individuals exiting vocational rehabilitation.</p> <p><b>A3: Increase the number of job orders and job openings listed in the Workforce Investment System.</b></p> <p><u>Target #1:</u> Increase the number of job openings placed by employers by 1,000 as compared to the previous year.</p> <p><u>Measure #1:</u> Change in the number of job openings posted on the department's labor exchange system.</p>
End Results	Strategies to Achieve Results
<p><b>B: A prepared workforce.</b></p> <p><u>Target #1:</u> At least 95% of trained participants will enter employment.</p> <p><u>Measure #1:</u> Percent of trained participants that enter employment.</p>	<p><b>B1: Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</b></p> <p><u>Target #1:</u> At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.</p> <p><u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p>
End Results	Strategies to Achieve Results
<p><b>C: Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.</b></p> <p><u>Target #1:</u> 2% per year reduction on the rate of workplace lost time injuries and illnesses per 100 employees.</p> <p><u>Measure #1:</u> The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.</p> <p><u>Target #2:</u> Zero accidental workplace fatalities.</p> <p><u>Measure #2:</u> The number of accidental fatalities compared to the previous year.</p>	<p><b>C1: Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.</b></p> <p><u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) and Safety &amp; Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.</p> <p><u>Measure #1:</u> The percentage change in the number of VPP and SHARP sites in comparison to the previous year.</p>

### FY2008 Resources Allocated to Achieve Results

**FY2008 Department Budget: \$176,892,000**

**Personnel:**

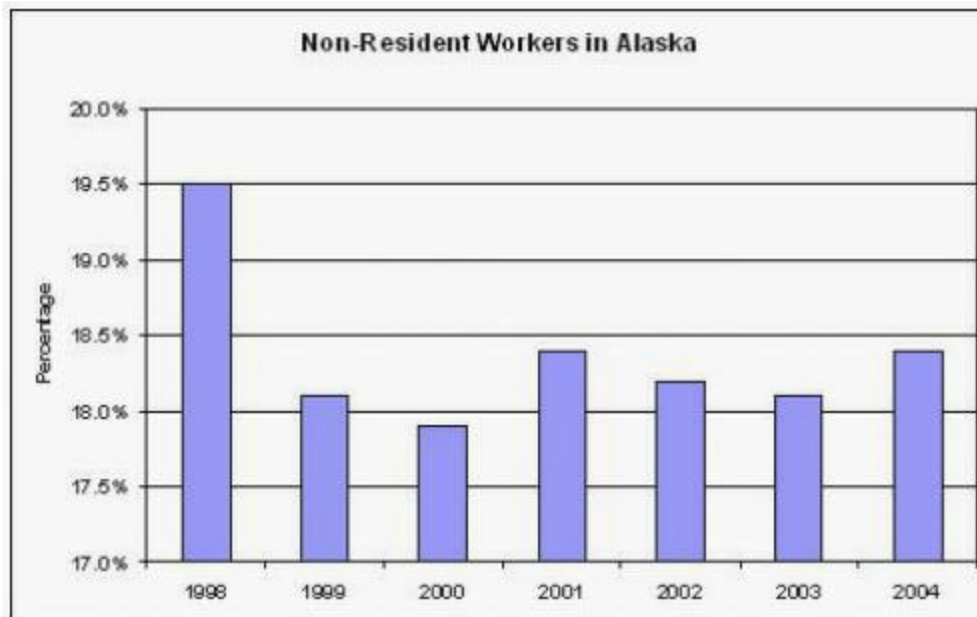
Full time	844
Part time	108
<b>Total</b>	<b>952</b>

## Performance Measure Detail

### A: Result - Full employment of Alaska workforce.

**Target #1:** Decrease the percent of non-residents working in Alaska by 2% per year.

**Measure #1:** Percent of non-resident workers in Alaska.



**Analysis of results and challenges:** For the period 1992-2003, the percentage of nonresidents working in Alaska has varied from a high of 23.7% in 1992 to a low of 17.9% in 2000. The total number of wage and salary workers in Alaska for 2004 was 383,053 and 70,482 (18.4%) of Alaska's workforce were nonresident. Wage and Hour proposes to increase enforcement of the Alaska employment preference law on public construction projects in FY 2007.

2005 data will not be available until January 2007.

### A1: Strategy - Enforce the provisions for resident hire preference on public construction projects.

**Target #1:** Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

**Measure #1:** Percent of certified payrolls reviewed for compliance.

#### Certified Payroll Compliance Review

Fiscal Year	#Received	#Reviewed	%Reviewed
FY 2001	N/A	6,428	Not Avail
FY 2002	N/A	6,653	Not Avail
FY 2003	N/A	4,853	Not Avail
FY 2004	16,770	762	5%
FY 2005	43,942	9,215	21%
FY 2006	42,027	20,929	55%

**Analysis of results and challenges:** Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls has increased. The department's FY 2007 proposal for an on-line certified payroll system has been approved. The number of certified payrolls checked would increase to 100% when this system goes on line in FY08. This program will allow improved tracking of resident hire and apprentice utilization performance.

## A2: Strategy - Increase the number of Workforce Investment System participants who get jobs.

**Target #1:** Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.

**Measure #1:** Percent of Workforce Investment System participants that enter employment.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total
FY 2006	53%	52%	54%	53%	53%
FY 2007	0 0%	0 0%	0 0%	0 0%	Forecast 54%

**Analysis of results and challenges:** New federal reporting requirements went into effect beginning 7/1/2005. The employment data is tracked via a cumulative 4 quarter total. The purpose of the new requirements is to implement common measures between federal employment and training programs and includes changes to criteria for "participants" and "exits" both of which impact the entered employment rate. Prior year data is available but not comparable for this measure because of these changes.

The Workforce Investment System incorporates a wide variety of employment preparation and training services. The program serves all job seekers including those who have multiple barriers to employment that require more intensive services such as case-management and job training that may take up to two years to complete. The wide variety of clients served leads to a lower aggregate percentage of participants entering employment than is seen in a targeted training program dealing with a limited group of participants.

Fiscal Year 2006 is the base line year for new federal measures including the entered employment percentage, and should be the baseline year for our State entered employment measure. In Fiscal Year 2006 there were a total of 78,087 participants, an increase of 13,920 over the previous year. Of these participants, 41,280 entered employment which is an increase of 10,194 over the previous year.

**Target #2:** Increase the number of Workforce Investment System participants by 500 as compared to the previous year.

**Measure #2:** Change in number of Workforce Investment System participants.

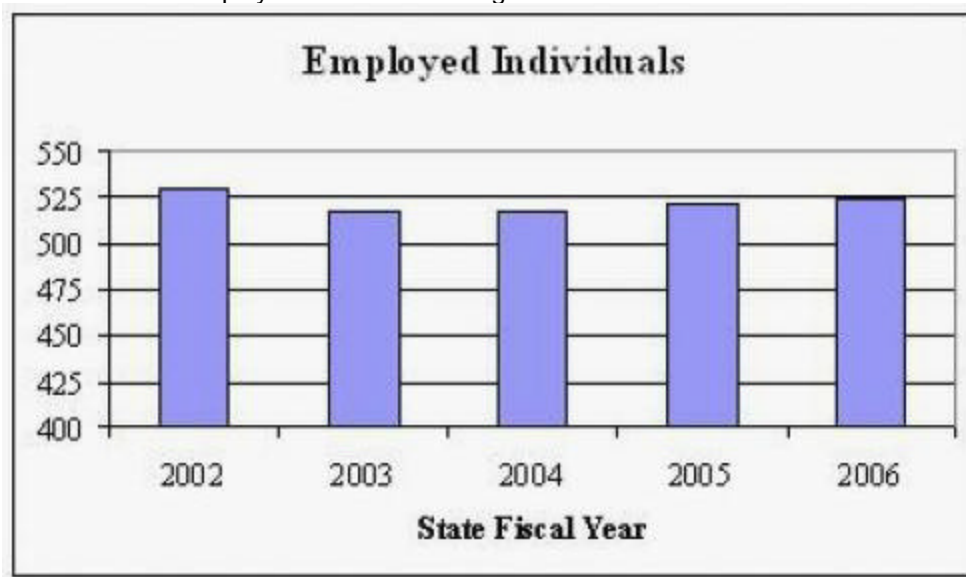
Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Average	Change
FY 2006	78,750	77,505	76,740	79,351	78,087	13,920
FY 2007	0	0	0	0	Forecast 78,587	Forecast 500

**Analysis of results and challenges:** New federal reporting requirements have altered our previous definition of a "registrant" to that of a "participant". This new definition allows for an individual to be counted as a participant more than once in any given four-quarter reporting period if they resume receiving services after having a break in service of 90 days or more. This has resulted in an increase in our overall participation rate.

Fiscal Year 2006 is a new baseline year for federal measures including the total number of participants, and should be the State's baseline year for this measure.

**Target #3:** Equal prior year's number of employed individuals with disabilities exiting vocational rehabilitation.

**Measure #3:** Number of employed individuals exiting vocational rehabilitation.



Fiscal Year	YTD Total
FY 2002	530
FY 2003	517
FY 2004	517
FY 2005	521
FY 2006	524

**Analysis of results and challenges:** An individual must be working for a minimum of 90 days prior to being counted as a person exiting the vocational rehabilitation program as employed. The number of individuals employed has remained relatively consistent for the past few years. Both staff and financial resources affect the number of individuals the division is able to assist in becoming employed. With level funding and the difficulty the agency has recently encountered in recruiting qualified staff to replace our retiring experienced counselors, the division is challenged to maintain the current level of production.

### A3: Strategy - Increase the number of job orders and job openings listed in the Workforce Investment System.

**Target #1:** Increase the number of job openings placed by employers by 1,000 as compared to the previous year.

**Measure #1:** Change in the number of job openings posted on the department's labor exchange system.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2003					44,632	0
FY 2004	11,619	8,875	11,443	13,986	45,923	1,291
FY 2005	15,344	9,397	12,386	16,783	53,910	7,987
FY 2006	17,033	12,199	12,093	7,309	48,634	(5,276)
FY 2007	0	0	0	0	Forecast 49,634	Forecast 1,000

**Analysis of results and challenges:** The 4th quarter of Fiscal Year 2006 showed a sharp decline, primarily

because of the transition of the job openings data base from a mainframe to an online system. Now that the online system is in place the number of job openings listed is projected to increase annually at a steady pace.

## B: Result - A prepared workforce.

**Target #1:** At least 95% of trained participants will enter employment.

**Measure #1:** Percent of trained participants that enter employment.



**Analysis of results and challenges:** We determined an aggregate percentage for the Entered Employment Rate that accounts for performance in multiple training programs. We have historical data for the Entered Employment rate for the following programs: WIA Adult, WIA Youth, WIA Dislocated Worker, and the State Training Employment Program (STEP). For SFY 2006 there were a total of 2,629 participants that completed their training of which 2,525 were employed within one year of program participation. SFY07 represents the first quarter of state fiscal year 2007 ending September 30, 2006.

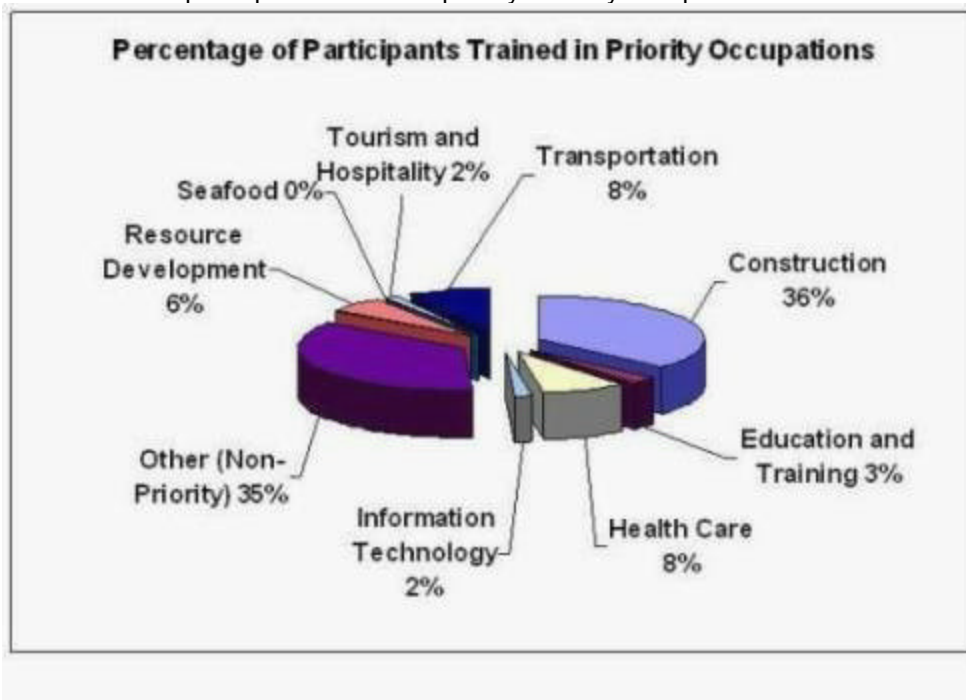
Business Partnerships has increased its efforts for data accuracy and follow-up with participants after exit. This has provided better outcome numbers for those employed but whose wages do not show up on UI wage data.



**B1: Strategy - Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).**

**Target #1:** At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.

**Measure #1:** Percent of participants trained in priority industry occupations.



**Analysis of results and challenges:** We continue to allocate our limited training resources focused on priority industries to increase the likelihood that training participants will obtain employment in alignment with these priorities. We use industry priority occupations as criteria of grant awards. The prioritization of industries is based upon demand, growth and high non-residency. The current priority occupations are in the following industries: Health Care, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

SFY2004 57% in priority industry occupations

SFY2005 58% in priority industry occupations

SFY2006 62% in priority industry occupations

SFY2007 65% in priority industry occupations (fiscal year to date)

Our Management Information System (MIS) participant data for the first quarter of SFY2007 shows approximately 65% of clients were trained in priority industry occupations. The strategies and processes provide clear direction and encouragement for training participants in priority industry occupations. In addition, we use these priorities to encourage but not require participants as they utilize their "customer choice" options for training.

**C: Result - Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.**

**Target #1:** 2% per year reduction on the rate of workplace lost time injuries and illnesses per 100 employees.

**Measure #1:** The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.

**Lost Workday Accidental Injuries and Illnesses Rate**

Fiscal	Rate	% Change
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Year		
FY 2001	3.59	
FY 2002	3.24	-10%
FY 2003	2.73	-16%
FY 2004	1.94	-29%
FY 2005	2.29	18%
FY 2006	2.24	-2%

**Analysis of results and challenges:** Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 38% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data. Significant reductions were achieved in the first two years of implementing the strategic plan, but due to increases in construction employment and other high hazard resource development jobs, the high percentage reductions were not sustainable.

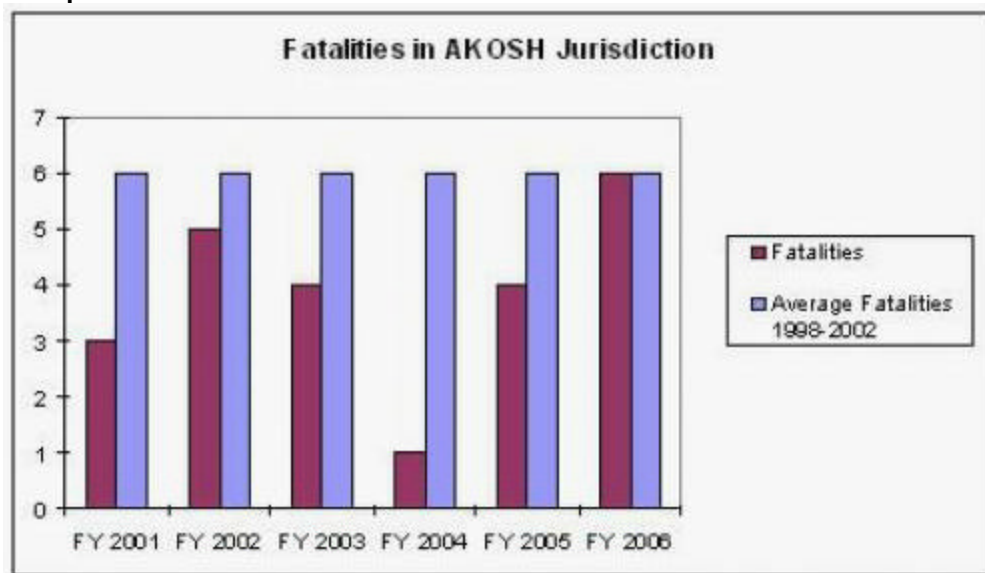
In FY06, the section added a Safety Consultant position to focus more effort toward assisting employers in these high hazard categories. In FY07, a Compliance Assistance Specialist was added to assist employers to achieve safer worksites while under enforcement processes. As the enforcement program exclusively targets high hazard employers, the Compliance Assistance Specialist has focused accident reduction efforts with the greatest potential for achievement.

To help put the rate into perspective, there were 6,941 recorded injuries with 309,382 employees in FY06 and 7,263 recorded injuries with 296,508 employees in FY02. Even though nearly 14,000 employees have been added to the Alaska economy over this time period, there were 322 fewer recorded injuries in FY06.

**Target #2:** Zero accidental workplace fatalities.

**Measure #2:** The number of accidental fatalities compared to the previous year.

#### Accidental Workplace Fatalities



**Analysis of results and challenges:** The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-

2002 when there was an average of six fatalities per year. The number of fatalities in 2006 increased to the previous 5 year average. The number of jobs has also increased significantly over the last year in high hazard categories such as construction, transportation and warehousing. Also, according to the medical examiners report, 3 of the 6 fatalities in FY06 were workers that were under the influence of marijuana.

### **C1: Strategy - Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.**

**Target #1:** Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

**Measure #1:** The percentage change in the number of VPP and SHARP sites in comparison to the previous year.

#### **VPP and SHARP Sites**

<b>Fiscal Year</b>	<b>VPP Sites</b>	<b>SHARP Sites</b>	<b>Total Sites</b>	<b>% Change</b>
FY 2001	3	3	6	
FY 2002	3	5	8	33%
FY 2003	4	11	15	88%
FY 2004	6	12	18	20%
FY 2005	6	12	18	0
FY 2006	11	11	22	22%

**Analysis of results and challenges:** The SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement inspections for 18 months, is not significant when Alaska provides a 12-month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and VPP participation will be improved by promoting the benefits of the program to businesses. Consultants will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP & SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

### **Prioritization of Agency Programs**

(Statutory Reference AS 37.07.050(a)(13))

AS 37.07.050(a)(13) requires an agency to prioritize its activities, and a division is included in the definition of agency in AS 37.07.120(1). The department has interpreted this as allowing prioritization of its programs at the division level.

#### Department Programs Prioritized Within Each Division

##### **COMMISSIONER'S OFFICE**

1. Commissioner's Office
2. Alaska Labor Relations Agency
3. Office of Citizenship Assistance

##### **ADMINISTRATIVE SERVICES DIVISION**

1. Management Services
2. Labor Market Information

3. Data Processing
4. Human Resources
5. Leasing

#### BUSINESS PARTNERSHIPS DIVISION

1. Business Services
2. AVTEC
3. AVTEC Facilities Maintenance
4. Alaska Workforce Investment Board
5. Kotzebue Technical Center
6. Northwest Alaska Career and Technical Center
7. Yuut Elitnaurviat People's Learning Center
8. Southwest Alaska Vocational and Education Center

#### DIVISION OF VOCATIONAL REHABILITATION

1. Client Services
2. Independent Living Rehabilitation
3. Americans with Disabilities Act
4. Vocational Rehabilitation Administration
5. Special Projects
6. Disability Determination
7. Assistive Technology

#### EMPLOYMENT SECURITY DIVISION

1. Unemployment Insurance
2. Wagner-Peyser
3. Reemployment Services
4. Workforce Investment Act Training Services
5. Veterans Employment and Training
6. Trade Assistance Act/National Emergency Grant
7. Adult Basic Education
8. General Educational Development (GED) Testing
9. Senior Community Services Employment Program
10. Work Services
11. Welfare-to-Work Case Management
12. Work Opportunity Tax Credit
13. Foreign Labor Certification

#### LABOR STANDARDS & SAFETY DIVISION

1. Wage & Hour Title 36 Employment Preference Enforcement
2. OSH Enforce/Compliance Safety & Health
3. Mechanical Inspection Boiler Inspection
4. OSH Consult/Train Safety & Health
5. Mechanical Inspection Contractor Licensing
6. Wage & Hour Child Labor Enforcement
7. Wage & Hour Title 23 Wage Claim Enforcement
8. Mechanical Inspection Certificate of Fitness (Electrical & Plumbing)
9. Wage & Hour Title 36 Prevailing Wage Enforcement
10. Mechanical Inspection Elevator Inspection
11. Mechanical Inspection Electrical Inspection
12. Mechanical Inspection Plumbing Inspection

13. Mechanical Inspection Hazardous Materials Certificate of Fitness
14. Mechanical Inspection Boiler Operator Licensing
15. Mechanical Inspection Amusement Ride Inspection
16. OSH Joint Pipeline Office
17. Alaska Safety Advisory Council

#### WORKERS' COMPENSATION DIVISION

1. Enforcement of employers' workers' compensation liability insurance requirements
2. Administration of employers' workers' compensation liability self-insurance program
3. Investigation and enforcement of anti-fraud provisions of Act
4. Construction and maintenance of accurate and complete program databases
5. Dissemination of information to participants concerning Workers' Compensation Act rights, obligations, and procedures
6. Informal (mediations/prehearing conferences), formal (hearings), and initial appellate (by Worker's Compensation Appeals Commission) resolution of disputes
7. Audit of compensation reports and payments for accuracy and timeliness
8. Preparation of records of, and participation in, appeals from AWCB decisions
9. Archival and destruction of records
10. Administration of Commercial Fishermen's Fund
11. Administration of Second Injury Fund
12. Administration of Workers' Compensation Benefits Guaranty Fund
13. Tri-annual recalculation of COLA ratios for out-of-state benefit recipients

## Component: Alaska Labor Relations Agency

### Contribution to Department's Mission

The Alaska Labor Relations Agency contributes to the department's mission of full employment by facilitating cooperative relations between Alaska's public employers and the labor organizations that represent public employees.

### Core Services

Enforces the Public Employment Relations Act (PERA) and the labor relations provisions of the Alaska Railroad Corporation Act (ARCA). The Agency promotes cooperative relations between government and its employees and protects the public's interest in the provision of uninterrupted government services.

Maintains statewide jurisdiction over public employers that include the State of Alaska, political subdivisions, public school districts, the University of Alaska, and the Alaska Railroad. Jurisdiction extends to labor organizations that represent public employees.

Enforces terms of collective bargaining agreements, conducts elections on union representation for collective bargaining, and investigates and decides unfair labor practice complaints, unit composition disputes, representation and other issues.

End Results	Strategies to Achieve Results
<b>A: Resolve issues between Alaska's public employers and public employees.</b>  <u>Target #1:</u> Reduce the total number of open cases. <u>Measure #1:</u> Open caseload at end of reporting period.	<b>A1: Maintain a timely representation election process.</b>  <u>Target #1:</u> Complete 90% of representation elections within 100 days, except in extenuating circumstances. <u>Measure #1:</u> Percentage of representation elections completed within 100 days.  <b>A2: Operate a timely and efficient adjudications program.</b>  <u>Target #1:</u> Issue 90% of decisions and orders within 90 days of record closure. <u>Measure #1:</u> Percentage of decisions and orders issued within 90 days of record closure.

### Major Activities to Advance Strategies

- Encourage settlement of disputes.
- Increase staff productivity and efficiency.
- Improve communications with Board members to enhance efficiency and productivity.

### FY2008 Resources Allocated to Achieve Results

**FY2008 Component Budget: \$516,600**

**Personnel:**

Full time	4
Part time	0
<b>Total</b>	<b>4</b>

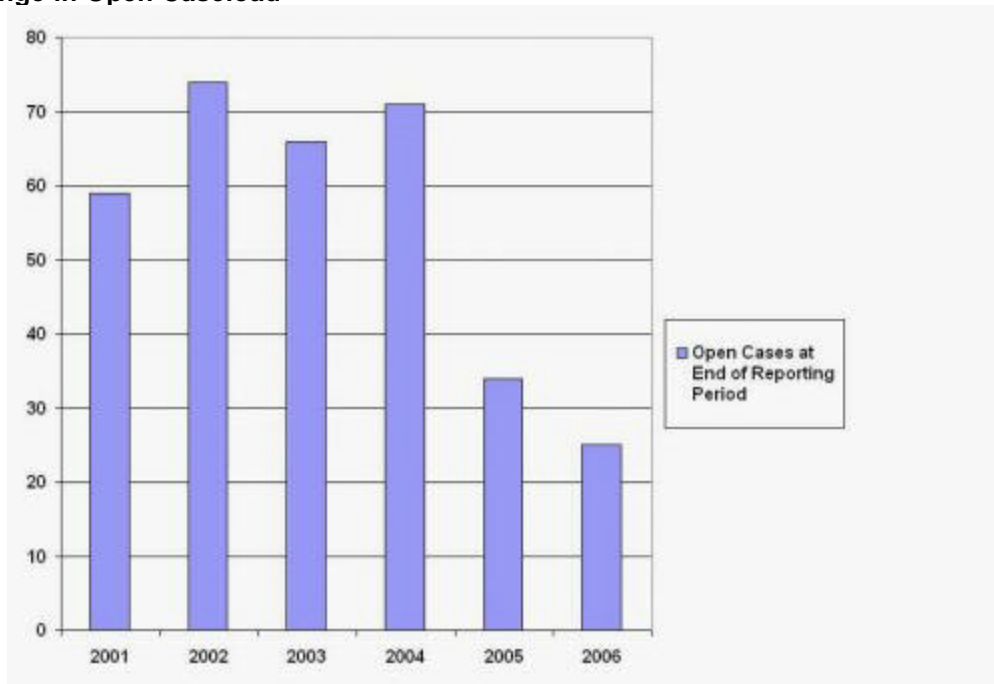
### Performance Measure Detail

#### A: Result - Resolve issues between Alaska's public employers and public employees.

**Target #1:** Reduce the total number of open cases.

**Measure #1:** Open caseload at end of reporting period.

#### Yearly Change in Open Caseload



#### Open Caseload at End of Reporting Period

Year	Cases Filed	Cases Closed	Open Cases
2001	42	49	59
2002	71	56	74
2003	62	70	66
2004	64	59	71
2005	116	153	34
2006	48	57	25

**Analysis of results and challenges:** Although parties filed 81% more cases in 2005 than in 2004, efforts to complete investigation of unit clarification (UC) petitions, which comprised the bulk of the filing increase, were realized in 2005, and are expected to continue in 2006. So far in 2006, we have closed 20% more cases than were filed, thereby reducing the overall number of open cases. A potential challenge in the approaching months will be to achieve timely resolution of disputes that may arise from State and school district contract negotiations.

The Agency's annual report contains a breakdown of these numbers.

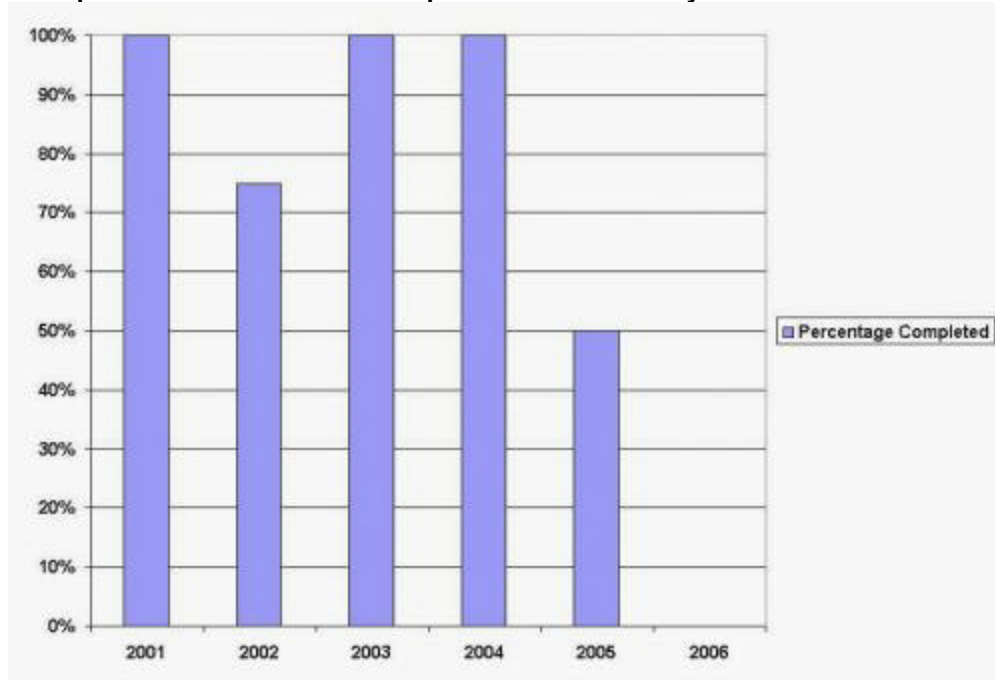
Reporting periods are based on calendar year.  
2006 data is through September 30, 2006.

### A1: Strategy - Maintain a timely representation election process.

**Target #1:** Complete 90% of representation elections within 100 days, except in extenuating circumstances.

**Measure #1:** Percentage of representation elections completed within 100 days.

#### Percentage of Representation Elections Completed Within 100 Days



**Analysis of results and challenges:** We anticipate exceeding the election performance target this year. Although there have been a few inquiries, currently only one representation petition is pending in 2006. In this petition, IBEW Local 1547, AFL-CIO is seeking certification as the employee representative of a unit of employees of the City of Wrangell. Since no objections to the petition were filed, a secret mail ballot election will be held during the last quarter of 2006. An interesting aspect in this representation petition is that the City of Wrangell opted-out of the Public Employment Relations Act AS 23.40.070-23.40-260 (PERA) through a resolution in 1973, repealed that resolution in 2004, and is now under ALRA's jurisdiction and subject to PERA.

A breakdown of elections conducted is published in the Agency's annual report.

Reporting periods are based on calendar year.  
2006 data is through September 30, 2006.



**A2: Strategy - Operate a timely and efficient adjudications program.**

**Target #1:** Issue 90% of decisions and orders within 90 days of record closure.

**Measure #1:** Percentage of decisions and orders issued within 90 days of record closure.

**Percentage of Cases Completed Within 90 Days of Record Closure**

Year	YTD Total
2001	40%
2002	25%
2003	0%
2004	50%
2005	100%
2006	43%

**Analysis of results and challenges:** Through modified caseload management, the Agency has improved the percentage of decisions and orders issued timely. A slight decrease in the number of hearings also enabled the Agency to catch up on timeliness and issue 100% of decisions timely in 2005. An increase in number of decisions in 2006 could affect the performance target.

The Agency's annual report contains a breakdown of these numbers.

Reporting periods are based on calendar year.  
2006 data is through September 30, 2006.

## Administrative Services Results Delivery Unit

### Contribution to Department's Mission

The component contributes to the department's mission by providing support services to department programs.

### Core Services

The Management Services component provides financial support services; unemployment insurance trust fund accounting; procurement, budget planning, monitoring and reporting; and office space management to department programs.

The Human Resources component consolidates and accounts for the costs of human resource and personnel services provided to this department by the Department of Administration.

The Leasing component consolidates and accounts for the costs of all space leases for the department.

The Data Processing component provides mainframe and desktop programming, database and security administration and network services installations and support.

The Labor Market Information component collects, analyses and publishes information on employment, unemployment, wage rates, occupational injuries, population estimates and forecasts, and other economic and demographic information, and will act as the official liaison with the federal Census Bureau for all Census 2010 projects.

End Results	Strategies to Achieve Results
<b>A: Maximize customer satisfaction with Labor Market Information services</b>  <u>Target #1:</u> 90% of survey respondents rate Labor Market Information (LMI) services as 3 or better on a scale of 1 to 5. <u>Measure #1:</u> Percent and number of customers rating LMI services as 3 or better.	<b>A1: Publish all required reports on time.</b>  <u>Target #1:</u> Meet or exceed all Bureau of Labor Statistics (BLS) program deliverable deadlines. <u>Measure #1:</u> Percentage of BLS deliverable deadlines met.  <u>Target #2:</u> Meet or exceed all state required report deadlines. <u>Measure #2:</u> Percent of state reporting deadlines met.  <b>A2: Maximize the accuracy of information produced.</b>  <u>Target #1:</u> Meet or exceed the data quality standard set by BLS for the Current Employment Statistics program. <u>Measure #1:</u> Percent of Current Employment Statistics benchmark revision.  <u>Target #2:</u> Meet or exceed an 85% response rate on the Quarterly Census of Employment and Wages annual refiling survey. <u>Measure #2:</u> Response rate on the Quarterly Census of Employment and Wages annual refiling survey.
End Results	Strategies to Achieve Results
<b>B: Improve customer satisfaction with Data Processing services.</b>	<b>B1: Deliver data processing systems and services on schedule and within budget.</b>

<p><u>Target #1:</u> 90% of survey respondents rate Data Processing services as 3 or better on a scale of 1 to 5.</p> <p><u>Measure #1:</u> Percent of customers rating Data Processing services 3 or better.</p>	<p><u>Target #1:</u> All data processing projects produced on schedule.</p> <p><u>Measure #1:</u> Percent of projects produced on schedule.</p> <p><u>Target #2:</u> All data processing projects produced within budget.</p> <p><u>Measure #2:</u> Percent of data processing projects produced within budget.</p> <p><u>Target #3:</u> All production jobs completed successfully.</p> <p><u>Measure #3:</u> Percentage of production jobs that complete successfully</p>
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### Major Activities to Advance Strategies

<ul style="list-style-type: none"> <li>• Bill for Services.</li> <li>• Maintain accurate addresses.</li> <li>• Bill federal agencies promptly.</li> <li>• Submit grant applications timely.</li> <li>• Research available grant programs.</li> <li>• Properly account for revenue received.</li> <li>• Submit department budget accurately and timely.</li> <li>• Develop and present briefing documents.</li> <li>• Establish relationships with key legislators and staff.</li> <li>• Testify at legislative hearings.</li> <li>• Respond to legislative requests for information.</li> </ul>	<ul style="list-style-type: none"> <li>• Pay bills not involving discounts within 30 days.</li> <li>• Pay vendors offering discounts within the discount period.</li> <li>• Monitor bills to avoid duplicate payments.</li> <li>• Review internal operations and cross-departmental operations.</li> <li>• Manage all projects by trained project managers using formal and standardized methodology.</li> <li>• Enhance project management skills with a refresher course.</li> <li>• Project managers' skills will be enhanced by use in more smaller projects.</li> <li>• Publish reports.</li> <li>• Respond to information requests.</li> <li>• Data collection and surveys.</li> <li>• Analyze data.</li> </ul>
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### FY2008 Resources Allocated to Achieve Results

**FY2008 Results Delivery Unit Budget: \$19,414,300**

**Personnel:**

Full time	112
Part time	4
<b>Total</b>	<b>116</b>

## Performance Measure Detail

### A: Result - Maximize customer satisfaction with Labor Market Information services

**Target #1:** 90% of survey respondents rate Labor Market Information (LMI) services as 3 or better on a scale of 1 to 5.

**Measure #1:** Percent and number of customers rating LMI services as 3 or better.



#### LMI Customer Satisfaction

Year	YTD Total
2005	95%
2006	95%

**Analysis of results and challenges:** Research & Analysis (R&A) collects customer satisfaction data through a Web-based survey. The survey has four main objectives: to determine customer awareness of products and services, to measure general satisfaction with R&A's information, to measure satisfaction with specific R&A products, and to solicit customer feedback with an eye toward better meeting customer needs.

During calendar year 2005, 372 users responded to the online survey; 322 responses were received during the first three quarters of 2006. Of those users, 95% in both 2005 and 2006 were neutral, satisfied or very satisfied. The above graph displays, by both percentage and number, the level of satisfaction reported by the survey respondents.

A more detailed survey, including both mail and online data collection, will be conducted during fiscal year 2007.

**A1: Strategy - Publish all required reports on time.**

**Target #1:** Meet or exceed all Bureau of Labor Statistics (BLS) program deliverable deadlines.

**Measure #1:** Percentage of BLS deliverable deadlines met.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2003				100%
2004	98.1%	100%	100%	100%
2005	100%	100%	100%	100%
2006	100%	100%	100%	NA

**Analysis of results and challenges:** The BLS grant in many cases specifies delivery dates. Recording submittal dates of BLS deliverables began October 1, 2003.

All BLS program deliverables were met during 2005; all deliverables were met for the first three quarters of 2006.

**Target #2:** Meet or exceed all state required report deadlines.

**Measure #2:** Percent of state reporting deadlines met.

**State Statutory Reports Submitted on Time**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2004	100%	100%	100%	100%
2005	100%	100%	100%	100%
2006	100%	100%	100%	NA

**Analysis of results and challenges:** With the exception of statutorily specified reports, most state funded projects do not have specified delivery dates.

All statutorily-required reports were completed on time during 2004 and 2005 and for the first three quarters of 2006.

**A2: Strategy - Maximize the accuracy of information produced.**

**Target #1:** Meet or exceed the data quality standard set by BLS for the Current Employment Statistics program.

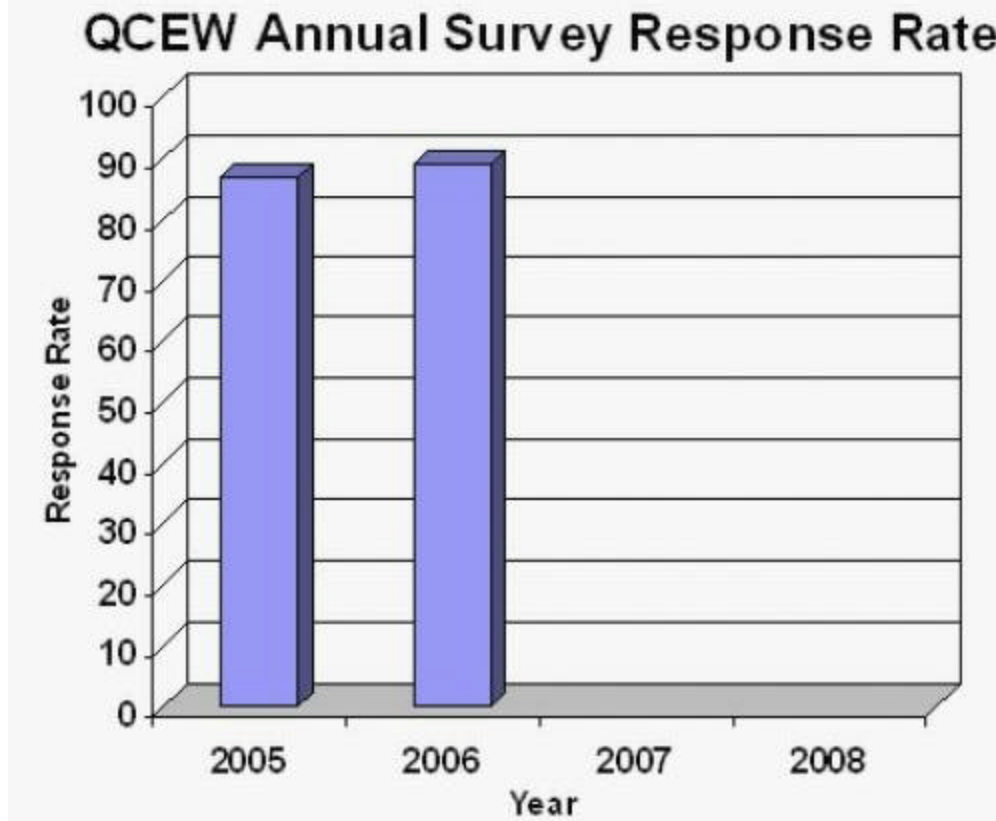
**Measure #1:** Percent of Current Employment Statistics benchmark revision.

Year	Prelim Est	Bnchmrk Rev	YTD Total
1999	277,809	277,817	00.0%
2000	281,944	283,884	00.7%
2001	288,929	289,329	00.1%
2002	293,216	295,754	00.9%
2003	299,517	299,616	00.0%
2004	303,316	303,963	00.2%
2005	308,800	309,900	00.4%

**Analysis of results and challenges:** The Bureau of Labor Statistics' standard for relative error for an employment estimate of between 250,000 and 500,000 is 2.0%. Alaska's five year average annual benchmark revision for 2001 to 2005 was 0.3%.

**Target #2:** Meet or exceed an 85% response rate on the Quarterly Census of Employment and Wages annual refiling survey.

**Measure #2:** Response rate on the Quarterly Census of Employment and Wages annual refiling survey.

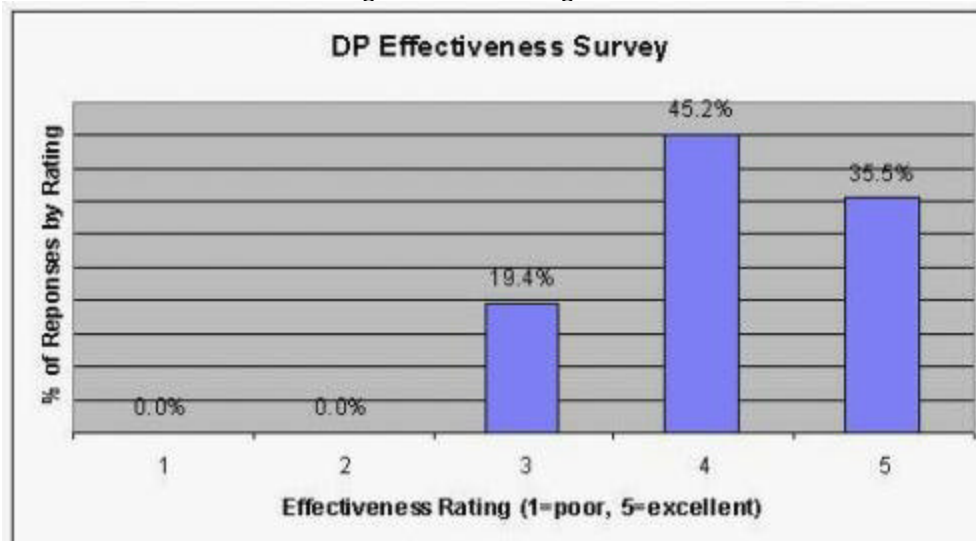


**Analysis of results and challenges:** Research & Analysis achieved an 87% response rate on the 2005 Quarterly Census of Employment and Wages annual employer refiling survey and an 89% response rate on the 2006 survey.

**B: Result - Improve customer satisfaction with Data Processing services.**

**Target #1:** 90% of survey respondents rate Data Processing services as 3 or better on a scale of 1 to 5.

**Measure #1:** Percent of customers rating Data Processing services 3 or better.



The graph represents the rating responses for FY06. Rating is from 1=worst to 5=best. Number represents the number of each rating response. There were 31 responses total.

**Survey Results**

Fiscal Year	Rate 1 or 2	Rate 3	Rate 4	Rate 5	Total
FY 2006	0	6	14	11	31

**Analysis of results and challenges:** A survey of the agency program unit liaisons was conducted. In future years the survey questions will need to be refined to focus on how Data Processing helped the business units perform their missions. Too many responses were related to likes and dislikes of individual staff.

**B1: Strategy - Deliver data processing systems and services on schedule and within budget.**

**Target #1:** All data processing projects produced on schedule.

**Measure #1:** Percent of projects produced on schedule.

**% Project Schedule - Work Completed**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2005	83%	86%	71%	86%	81.5%
FY 2006	75%	75%	80%	80%	77.5%
FY 2007	100%	0	0	0	0
		0%	0%	0%	0%

*Vendor delays and lack of skilled staff have been the cause of our project delays last quarter FY06Q4. We have not had overruns in cost.*

**Analysis of results and challenges:** A log of projects is kept which records the project start date, expected completion date and the project budget. Each quarter until the project is completed the project work completed and budget cost-to-date percentages are entered. This measure is based on the number of projects on schedule as compared to the total number of projects, including completed and suspended projects.

A project is considered on schedule if its percentage complete is consistent with the initial projected completion date or the modified projected completion date due to the board acceptance of a change to the project scope.

Projects that become suspended (work ceases due to lack of resources or funding) are considered on schedule if they were on schedule when work was suspended. When the project resumes, the initial schedule will be revised to reflect a new expected completion date.

The FY07Q1 is unusual in that most of our projects ended last quarter and we are starting a new set of projects. Only two projects are ongoing.

**Target #2:** All data processing projects produced within budget.

**Measure #2:** Percent of data processing projects produced within budget.

**% Project Budget Status**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2005	100%	86%	86%	100%	93%
FY 2006	100%	100%	100%	100%	100%
FY 2007	100%	0 0%	0 0%	0 0%	0 0%

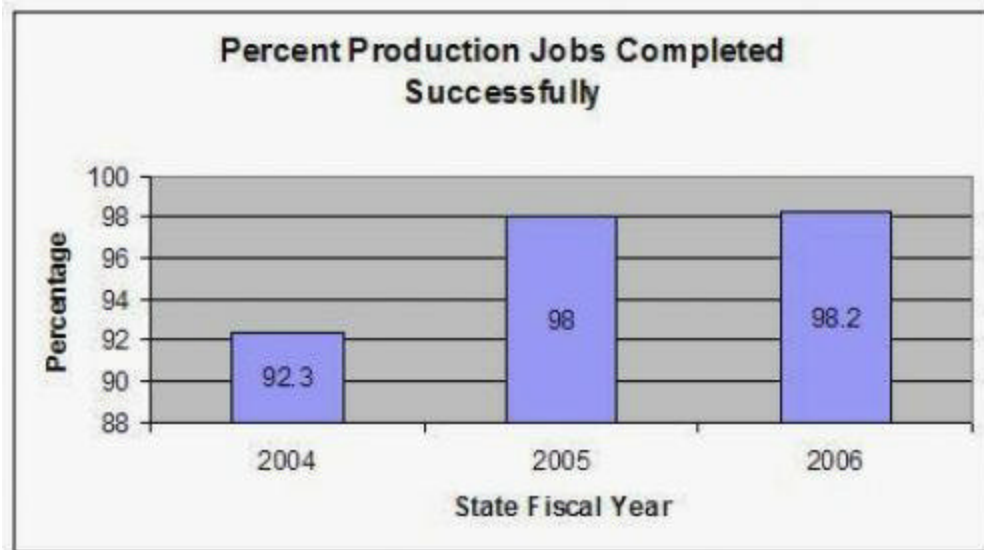
**Analysis of results and challenges:** A log of projects is kept which records the project start date, expected completion date and the project budget. Each quarter until the project is completed the project work completed and budget cost-to-date percentages are entered. This measure is based on the number of projects on schedule as compared to the total number of projects, including completed and suspended projects.

A project is considered within budget if the project cost to date is consistent with the initial projected budget or the modified budget due to the board acceptance of a change to the project scope.

Projects which become suspended (work ceases due lack of resources or funding) are considered within budget if they were within budget when suspended.

**Target #3:** All production jobs completed successfully.

**Measure #3:** Percentage of production jobs that complete successfully





**Production Job Success Rate**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2003	0	0	96.5%	94.7%	95.6%
FY 2004	92.3%	91.7%	89.4%	96.1%	92.3%
FY 2005	97.2%	98.1%	98.1%	98.7%	98.0%
FY 2006	98.3%	98.0%	98.4%	98.0%	98.2%
FY 2007	0 0%	0 0%	0 0%	0 0%	0 0%

**Analysis of results and challenges:** The table shows a stable environment. This good result is a continuation from the prior year. The cost of increasing performance would not be cost effective. Factors that could cause worsening performance in the future could include new development, loss of experienced staff, or loss of experienced staff at ETS (the operator of the mainframe).

An automated log of production jobs records each production job submitted and includes a completion code indicative of the job's success. Programs have been prepared to access the database and report quarterly the number of jobs submitted and the percentage that succeeded.

Data for FY07 will be available after the mainframe MICS system is corrected.

## Workers' Compensation Results Delivery Unit

### Contribution to Department's Mission

The Workers' Compensation RDU contributes to the department's mission of advancing employment opportunities. It does so by ensuring the efficient, fair and predictable delivery of indemnity, medical and vocational rehabilitation benefits intended to enable workers to return to work at a reasonable cost to employers.

### Core Services

The Workers' Compensation Act established a Board to set policy and ensure proper implementation of the Act's benefits and requirements. The workers' compensation component is the Board's administrative arm. It maintains a comprehensive database, disseminates information, investigates complaints, informally resolves disputes, and aids the Board's provision of fair, formal hearings on disputed claims. It also assists the Board in enforcing the requirement that employers either insure or qualify to self-insure their workers' compensation liabilities.

The Workers' Compensation Act was amended in 2005 to create the Workers' Compensation Appeals Commission and the Benefits Guaranty Fund. The commission has jurisdiction to hear appeals from final decisions and orders of the Workers' Compensation Board. The Benefits Guaranty Fund will be used to pay benefits to workers whose employer was uninsured at the time of the injury.

The Fishermen's Fund component pays the costs of health care and medical treatment provided to Alaskan commercial fishermen, for occupational injuries or illnesses directly connected to operations on shore or in Alaska waters, when the costs are not covered by public or private insurance.

The Second Injury Fund component reduces financial disincentives to reemployment of disabled workers. This is done by limiting a subsequent employer's liability for compensation payable when a previously disabled employee sustains a second injury causing additional disability.

End Results	Strategies to Achieve Results
<b>A: All employers comply with AS 23.30, the Alaska Workers' Compensation Act</b>  <u>Target #1:</u> Zero uninsured employers. <u>Measure #1:</u> Percent of uninsured employers.  <u>Target #2:</u> Zero uninsured employee injuries. <u>Measure #2:</u> Number of uninsured employee injuries.	<b>A1: Quarterly review of cancelled Workers' Compensation policies.</b>  <u>Target #1:</u> Investigate 100% of Workers' Compensation policy cancellation notices. <u>Measure #1:</u> Number of employers reviewed that cancelled their workers' compensation insurance policy or had their policy expire.  <u>Target #2:</u> Investigate employers suspected of illegally operating without workers' compensation insurance coverage. <u>Measure #2:</u> Number of employers discovered and brought into compliance.
End Results	Strategies to Achieve Results
<b>B: Improved delivery of efficient, low cost and legal informal and formal dispute resolution</b>  <u>Target #1:</u> Parties will have hearing scheduled within 90 days of notice of readiness. <u>Measure #1:</u> Number of days it takes from request of workers' compensation hearing to date of hearing.	<b>B1: Shorten the time lag for workers' compensation hearings.</b>  <u>Target #1:</u> Settle disputed issues whenever possible during prehearing conferences. <u>Measure #1:</u> The number of disputed issues that are settled at prehearing conferences and don't require a

<p><u>Target #2:</u> 100% of all written decisions will be issued within 30 days of record closure.</p> <p><u>Measure #2:</u> Percent of written decisions issued within 30 days.</p> <p><u>Target #3:</u> Reduce the total number of open cases at the Appeals Commission</p> <p><u>Measure #3:</u> Open caseload at the end of the reporting period</p>	<p>formal hearing.</p> <p><b>B2: Operate a timely and efficient appeals program</b></p> <p><u>Target #1:</u> Issue 100% of decisions within 90 days of hearing</p> <p><u>Measure #1:</u> Number of decisions issued within 90 days of hearing</p>
End Results	Strategies to Achieve Results
<p><b>C: More Alaskans Available for Jobs:</b></p> <p><u>Target #1:</u> Requests for reimbursement from the Fishermen's Fund will be paid within 20 days of receipt.</p> <p><u>Measure #1:</u> The number of days between the receipt of a Fishermen's Fund claim and payment.</p> <p><u>Target #2:</u> 20% of injured workers' eligible for reemployment benefits complete a viable retraining plan.</p> <p><u>Measure #2:</u> Percent of injured workers, who are eligible for reemployment benefits, who complete a retraining plan.</p>	<p><b>C1: Reduce length of time it takes to get Fishermen's Fund Council's approval of claims.</b></p> <p><u>Target #1:</u> Reduce number of days it takes to get Council's approval of claims by 25%.</p> <p><u>Measure #1:</u> Number of days to get Council's approval of claims.</p> <p><b>C2: Reduce the number of training plans that need to be returned to the rehabilitation specialists for revisions.</b></p> <p><u>Target #1:</u> Reduce the number of retraining plans that are returned to the rehabilitation specialists by 20%.</p> <p><u>Measure #1:</u> Percent of retraining plans returned to the rehabilitation specialists.</p> <p><b>C3: Quarterly review of status of cases pending with rehabilitation specialists.</b></p> <p><u>Target #1:</u> Review of all pending retraining plans will be performed quarterly.</p> <p><u>Measure #1:</u> Number of retraining plans reviewed each quarter.</p>

### Major Activities to Advance Strategies

- Improve hearing officer/workers' compensation officer mediation skills.
- Increase efficiency of dispute resolution procedures.
- Continue development of electronic data interface system and improve reporting/identification of potential uninsured employers.
- Expand work of fraud investigations unit.

### FY2008 Resources Allocated to Achieve Results

**FY2008 Results Delivery Unit Budget: \$10,997,500**

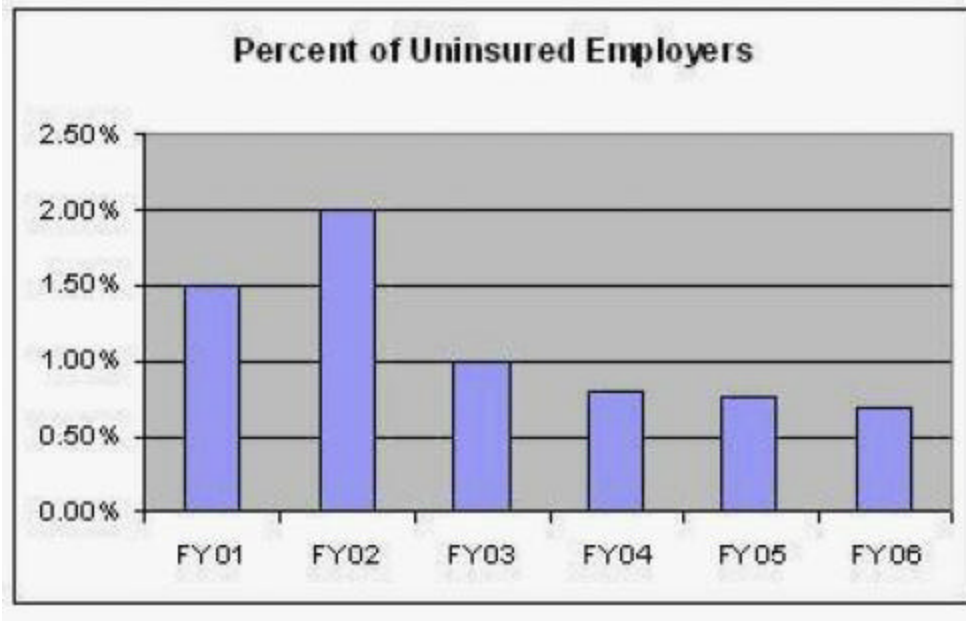
**Personnel:**

Full time	53
Part time	1
<b>Total</b>	<b>54</b>

**Performance Measure Detail****A: Result - All employers comply with AS 23.30, the Alaska Workers' Compensation Act**

**Target #1:** Zero uninsured employers.

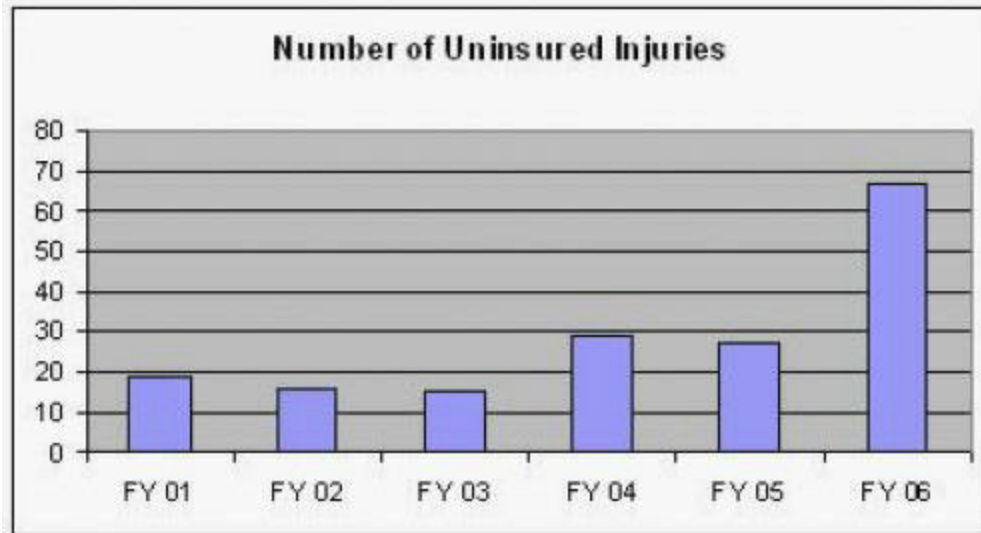
**Measure #1:** Percent of uninsured employers.



**Analysis of results and challenges:** The target for this measurement is zero uninsured employers. This target is set at zero because the law requires all employers to cover their employees under the Workers' Compensation Act. The percent of employers who were found to be uninsured has markedly declined since 2002. With the institution of a full fraud investigation section at the end of FY 06, the division is no longer limited to a single investigator to review notices of cancelled or expired Workers' Compensation insurance policies to verify if they have been replaced or renewed and will be able to locate employers who have been operating without workers' compensation insurance. In FY 06 we located 146 employers with the limited staff we had then. Development of a means to electronically compare our database with the Unemployment Insurance database to locate employers noncompliant with one law while compliant with the other continues.

**Target #2:** Zero uninsured employee injuries.

**Measure #2:** Number of uninsured employee injuries.



**Number & Percent of Uninsured Injuries to Total Workforce**

Fiscal Year	Injuries	Workforce	YTD Total
FY 2001	19	271,126	.007%
FY 2002	16	275,476	.0058%
FY 2003	15	283,444	.0053%
FY 2004	29	282,400	.0103%
FY 2005	27	287,707	.0094%
FY 2006	67	298,300	.0237%

**Analysis of results and challenges:** The number of uninsured injuries increased dramatically in FY 06. The high cost of insurance may be causing more employers to try to operate without workers' compensation coverage. As well, more uninsured injuries may have been reported by workers hoping to obtain payment from the new Benefits Guaranty Fund.

Although the division works hard to locate uninsured employers, sometimes the only way we discover a problem is when an employee is injured. The additional Investigator positions added at the end of FY 06 will allow us to do more on-site inspections and locate employers who are operating without Workers' Compensation insurance coverage which should decrease the number of uninsured injuries reported.

**A1: Strategy - Quarterly review of cancelled Workers' Compensation policies.**

**Target #1:** Investigate 100% of Workers' Compensation policy cancellation notices.

**Measure #1:** Number of employers reviewed that cancelled their workers' compensation insurance policy or had their policy expire.

**Number of Cancelled Policies Reviewed**

Fiscal Year	YTD Total
FY 2003	4,470
FY 2004	3,895
FY 2005	3,620
FY 2006	2,400

**Analysis of results and challenges:** The division reviewed 50% of cancelled policies in FY 06. Files are opened on all cases where an employer does not document proof of current coverage, or can verify they are no longer using employees or have gone out of business. Most employers have purchased coverage under another policy. Those who do not supply satisfactory evidence of coverage or of no longer needing coverage are brought before the Workers' Compensation Board.

**Target #2:** Investigate employers suspected of illegally operating without workers' compensation insurance coverage.

**Measure #2:** Number of employers discovered and brought into compliance.

**Number of Employers Brought into Compliance with Workers' Compensation Act**

Fiscal Year	YTD Total
FY 2002	129
FY 2003	189
FY 2004	158
FY 2005	141
FY 2006	146

**Analysis of results and challenges:** FY 06 marked the last year the Division was limited to one investigator to conduct investigations, bring actions against uninsured employers before the Workers' Compensation Board, and present evidence and testimony which can lead to stop orders, fines, and criminal prosecution through the Department of Law. By the end of FY 06, the fraud unit was fully staffed with five investigators.

Although the investigator's efforts resulted in more employers brought into compliance, the division observed an increase in the number of uninsured injuries reported by employees of employers operating without Workers' Compensation coverage.

SB 130 authorized the creation of a fraud unit, which was fully implemented by the end of FY 06. This unit will allow us to increase the number of investigations of uninsured employers. We have also established a toll-free line where the public can notify the division of potential abuse of the Workers' Compensation Act either by employers or employees.

**B: Result - Improved delivery of efficient, low cost and legal informal and formal dispute resolution**

**Target #1:** Parties will have hearing scheduled within 90 days of notice of readiness.

**Measure #1:** Number of days it takes from request of workers' compensation hearing to date of hearing.

**Number of Days Between Request for Hearing & Hearing Date**

Fiscal Year	YTD Total
FY 2001	137
FY 2002	175
FY 2003	90
FY 2004	90
FY 2005	117
FY 2006	100

**Analysis of results and challenges:** AS 23.30.110(c) provides for a hearing to be scheduled within 60 days of request if not opposed by a party. If an opposition is filed, as they are in the vast majority of cases, a prehearing conference must be held within 30 days to set a hearing. If the hearing is scheduled within 60 days from the prehearing conference, 90 days to set a hearing from the date of request is usually reasonable.

We were not able to meet our 90-day goal in FY 06, but delays were reduced from FY 05 and we continue to believe the majority of cases were held timely with many of those held later resulting from the parties requesting additional time for preparation.

**Target #2:** 100% of all written decisions will be issued within 30 days of record closure.

**Measure #2:** Percent of written decisions issued within 30 days.

**Percent of Written Decisions Issued in 30 Days**

Fiscal Year	YTD Total
FY 2005	92.2%
FY 2006	98.8%

**Analysis of results and challenges:** FY05 established the baseline for this target. The Workers' Compensation Board hears claims regarding disputes of entitlement to benefits under the Workers' Compensation Act. After the hearing the division has 30 days to complete its work and write a formal decision and order based on the Board's determination. Those determinations will either allow or disallow an injured worker various benefits under the Workers' Compensation Act. In FY 06 we were able to increase the percent of decisions written within our 30 day target by monitoring the due dates of decisions and orders to ensure that they were completed timely.

**Target #3:** Reduce the total number of open cases at the Appeals Commission

**Measure #3:** Open caseload at the end of the reporting period

**Appeals Commission**

Year	# received	# decisions	% completed
2006	26	13	50%

*The Commission was sworn in on 11/23/05. They have not yet completed one year.*

**Analysis of results and challenges:** The Appeals Commission does not yet have a full year. We will establish a baseline and then work to ensure the number of resolved cases is at least 80% of the number of appeals received each year.

**B1: Strategy - Shorten the time lag for workers' compensation hearings.**

**Target #1:** Settle disputed issues whenever possible during prehearing conferences.

**Measure #1:** The number of disputed issues that are settled at prehearing conferences and don't require a formal hearing.

**Number of Disputed Issues Settled & Resolved**

Fiscal Year	# Prehearings	# Settled	% Settled
FY 2001	Not Available	636	0
FY 2002	Not Available	630	0
FY 2003	Not Available	818	0
FY 2004	Not Available	811	0
FY 2005	Not Available	1,165	0
FY 2006	2,213	1,049	47%

**Analysis of results and challenges:** A number of issues are settled or otherwise resolved prior to a hearing. It is the goal of the division to assist parties to reach agreement on issues prior to the need for a formal hearing. From FY 04 to FY 05 the number of issues settled without the need of a formal hearing increased dramatically and remained fairly constant for FY 06.

**B2: Strategy - Operate a timely and efficient appeals program****Target #1:** Issue 100% of decisions within 90 days of hearing**Measure #1:** Number of decisions issued within 90 days of hearing

Year	# of Decisions Written	Ave # days
2006	13	25

**C: Result - More Alaskans Available for Jobs:****Target #1:** Requests for reimbursement from the Fishermen's Fund will be paid within 20 days of receipt.**Measure #1:** The number of days between the receipt of a Fishermen's Fund claim and payment.**Number of Days to Pay Claim**

Fiscal Year	# of days	# of claims paid
FY 2002	42	810
FY 2003	36	696
FY 2004	33	814
FY 2005	35	807
FY 2006	17	781

*The computer system for the fishermen's fund was updated during FY 06 to properly collect this data. Data for fiscal years 02 through 05 has been updated using the new programming.*

**Analysis of results and challenges:** The measurement for this target is the number of days between the filing of a Fishermen's Fund claim and the date of payment. The goal is to pay claims within 20 days. Ensuring providers are paid promptly will allow fishermen to receive treatment and they will not neglect care from a lack of funds. This will aid a fisherman's recovery so they can return to work as soon as possible.

The Fishermen's Fund new claims management computer system has allowed us to reduce the length of time it takes to process claims and we were able to make our desired claims payment goal in FY 06.

**Target #2:** 20% of injured workers' eligible for reemployment benefits complete a viable retraining plan.**Measure #2:** Percent of injured workers, who are eligible for reemployment benefits, who complete a retraining plan.**Percent of Eligible Workers Completing a Retraining Plan**

Fiscal Year	# Eligible	# Completing Plan	% Completing
FY 2001	430	15	3.5%
FY 2002	457	25	5.5%
FY 2003	414	16	3.9%
FY 2004	420	18	4.3%
FY 2005	343	37	10.8%
FY 2006	298	56	18.8%

**Analysis of results and challenges:** The reemployment benefits section of the Workers' Compensation Act provides the opportunity for injured workers, who can't return to work due to their injuries, to volunteer for retraining benefits. The measurement for the reemployment benefits program is the percent of injured workers who complete a retraining plan compared to the number of injured workers who are found eligible for retraining benefits.

Of those found eligible for retraining many take a monetary settlement and do not continue forward with a retraining plan. Beginning in FY 07 the division has increased the targeted participation level to 20% and has added a staff person who will advise clients on the benefits of retraining versus a monetary settlement. We will



also follow-up with injured workers who participate in a retraining plan to determine if they have found work in the industry for which they trained.

### **C1: Strategy - Reduce length of time it takes to get Fishermen's Fund Council's approval of claims.**

**Target #1:** Reduce number of days it takes to get Council's approval of claims by 25%.

**Measure #1:** Number of days to get Council's approval of claims.

#### **Average Number of Days to get Fishermen's Fund Council's Approval**

Year	YTD Total
2004	235
2005	165
2006	98

**Analysis of results and challenges:** Approximately 10% of claims need to be approved by the Fishermen's Fund Council before they can be paid. In the past these delays have been considerable as the Council met only twice a year. To speed up this process we are working to develop a secure website that will allow the Council to meet over the web, review the files and make determinations on a more frequent basis. We hope to gather the Council for two additional meetings per year. The goal is to get the average number of days down to approximately 75. Although the system for a web based meeting has not been completed yet, we did hold a telephonic meeting (in addition to the two regularly scheduled meetings) during FY 06 allowing us to significantly decrease the length of time needed to get the Council's approval of large claims.

### **C2: Strategy - Reduce the number of training plans that need to be returned to the rehabilitation specialists for revisions.**

**Target #1:** Reduce the number of retraining plans that are returned to the rehabilitation specialists by 20%.

**Measure #1:** Percent of retraining plans returned to the rehabilitation specialists.

#### **Percent of Retraining Plans Returned to Specialists**

Fiscal Year	# Plans Submitted	# of Plans Returned	Percent Returned
FY 2005	105	47	45%
FY 2006	76	44	57%

2005 established the baseline.

**Analysis of results and challenges:** Many retraining plans need to be returned to the rehabilitation specialists because the plans do not meet the requirements of the law. The Rehabilitation Benefits Administrator plans to develop and email two electronic newsletters to the rehabilitation specialists per year. The newsletter will assist the specialists in learning the requirements of the Workers' Compensation law and outline successful plans. By communicating with the rehabilitation specialists and providing information to them about successful plans and how they can improve their initial work we hope to reduce the number of plans that are returned on first submission to approximately 10%. The faster an injured worker begins a retraining plan, the better chance they have of successfully completing the plan. Although the first year failed to bring about the desired improvements, we hope continued efforts will bring about the desired results.

### **C3: Strategy - Quarterly review of status of cases pending with rehabilitation specialists.**

**Target #1:** Review of all pending retraining plans will be performed quarterly.

**Measure #1:** Number of retraining plans reviewed each quarter.

**Analysis of results and challenges:** This is a new measure. We believe we can improve the number of retraining plans completed by more closely monitoring the status of each plan. SB 130 provided an additional employee for the rehabilitation program. This employee will enable us to track each program and ensure the plan is implemented as quickly as possible. This position wasn't filled in FY 06, but should be filled by 12/31/06.



## Labor Standards and Safety Results Delivery Unit

### Contribution to Department's Mission

Labor Standards and Safety contributes to the Department's mission by providing safe and legal working conditions.

### Core Services

Occupational safety and health law enforcement, training and consultation.

Wage law enforcement and training.

Prevailing wage and Alaska resident hire law enforcement and training.

Electrical and mechanical code compliance inspections and training.

Certification of electricians, power linemen, plumbers, blasters, painters and asbestos workers.

End Results	Strategies to Achieve Results
<b>A: Eliminate workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health (AKOSH) jurisdiction.</b>  <u>Target #1:</u> Zero accidental workplace fatalities. <u>Measure #1:</u> The number of accidental workplace fatalities compared to the previous year.	<b>A1: Reduce the number of worker fatalities under AKOSH jurisdiction by focusing compliance, consultation and outreach efforts on the causes of fatalities.</b>  <u>Target #1:</u> 3% reduction in the number of workplace fatalities per 100,000 employees compared to the previous 5 year average. <u>Measure #1:</u> The change in the rate of workplace fatalities per 100,000 employees compared to the average for the previous 5 years.
End Results	Strategies to Achieve Results
<b>B: Reduce the number of worker lost time injuries and illnesses in the workplace that are within AKOSH jurisdiction.</b>  <u>Target #1:</u> 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees. <u>Measure #1:</u> The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.	<b>B1: Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.</b>  <u>Target #1:</u> 3% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries. <u>Measure #1:</u> The change in the rate of lost time injuries and illnesses per 100 employees in the construction and transportation industries compared to the previous year.  <b>B2: Improve voluntary compliance with Occupational Safety and Health requirements.</b>  <u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year. <u>Measure #1:</u> The percentage change in the number of VPP and SHARP sites in comparison to the previous year.

End Results	Strategies to Achieve Results
<p><b>C: Reduce hazards to life and property posed by unsafe boilers/pressure vessels, plumbing and electrical work and elevators within Mechanical Inspection's jurisdiction.</b></p> <p><u>Target #1:</u> Zero loss of life or property caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.</p> <p><u>Measure #1:</u> Total number of boiler/pressure vessel, plumbing, electrical or elevator incidents resulting in loss of life or property.</p>	<p><b>C1: Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.</b></p> <p><u>Target #1:</u> Reduce boiler inspection backlog by 33% per year.</p> <p><u>Measure #1:</u> Annual percentage change in the number of overdue inspections in comparison to the previous year.</p> <p><u>Target #2:</u> 80% of boiler and pressure vessel code violations corrected upon inspection.</p> <p><u>Measure #2:</u> Percentage of boiler and pressure vessel violations corrected compared to the total number detected.</p> <p><b>C2: Eliminate electrical and plumbing code violations.</b></p> <p><u>Target #1:</u> 80% correction of electrical code violations identified through inspection.</p> <p><u>Measure #1:</u> Percentage of electrical code violations corrected compared to the total number detected.</p> <p><u>Target #2:</u> 80% correction of plumbing code violations identified upon inspection.</p> <p><u>Measure #2:</u> Percentage of plumbing code violations corrected compared to the total number detected.</p> <p><b>C3: Eliminate elevator code violations.</b></p> <p><u>Target #1:</u> 80% correction of code violations identified through inspection.</p> <p><u>Measure #1:</u> Percentage of code violations corrected compared to the total number detected.</p>
End Results	Strategies to Achieve Results
<p><b>D: Full compliance with Alaska's Employment Preference Act (AS 36.10).</b></p> <p><u>Target #1:</u> 20% reduction in ratio of Alaska Employment Preference Act violations to on-site inspections compared to the previous year.</p> <p><u>Measure #1:</u> Percentage change in the ratio of violations to on-site inspections compared to the previous year.</p>	<p><b>D1: Reduce the number of Alaska resident hire violations.</b></p> <p><u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements.</p> <p><u>Measure #1:</u> Percentage of certified payrolls checked for compliance.</p>
End Results	Strategies to Achieve Results
<p><b>E: Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.</b></p> <p><u>Target #1:</u> Maintain average wage claim resolution time to 6 months or less.</p> <p><u>Measure #1:</u> Average claim resolution time.</p>	<p><b>E1: Reduce wage claims by improving employer education efforts.</b></p> <p><u>Target #1:</u> Increase the number of employer briefings by 5% from the previous year.</p> <p><u>Measure #1:</u> The percentage change in the total number of employer briefings in comparison to the previous year.</p>

### Major Activities to Advance Strategies

- Mechanical Inspection and Wage and Hour enforce contractor licensing and electrical and mechanical administrator licensing requirements.
- Mechanical Inspection enforces certification requirements for plumbers, electricians, explosives handlers, hazardous painters and asbestos workers.
- Mechanical Inspection inspects mechanical and electrical systems, boilers and elevators to enforce code compliance.
- Wage and Hour investigates wage claims and prevailing wage complaints and pursues collection of unpaid wages, benefits, penalties and interest.
- Wage and Hour conducts on-site inspections and briefings to achieve child labor law compliance.
- Wage and Hour audits certified payrolls to check compliance with Alaska Resident Hire laws.
- Occupational Safety and Health provides recognition awards for exemplary workplace safety and health programs.
- Occupational Safety and Health Consultation performs on-site reviews and improvements of employer safety and health programs.
- Occupational Safety and Health Enforcement conducts inspections, provides abatement assistance and assesses penalties when required.

### FY2008 Resources Allocated to Achieve Results

**FY2008 Results Delivery Unit Budget: \$10,138,500**

**Personnel:**

Full time	88
Part time	1
<b>Total</b>	<b>89</b>

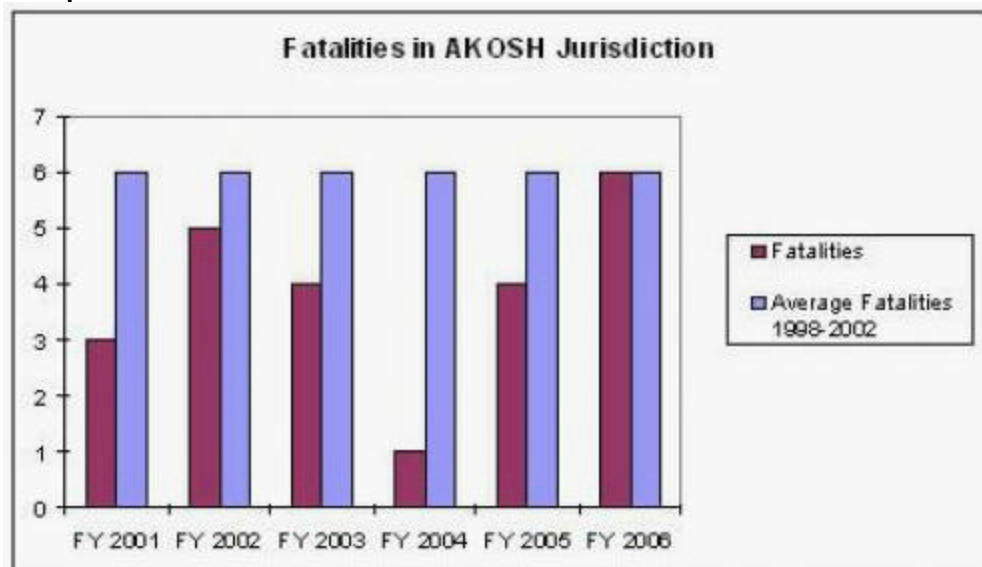
### Performance Measure Detail

#### A: Result - Eliminate workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health (AKOSH) jurisdiction.

**Target #1:** Zero accidental workplace fatalities.

**Measure #1:** The number of accidental workplace fatalities compared to the previous year.

#### Accidental Workplace Fatalities



**Analysis of results and challenges:** The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-2002 when there was an average of six fatalities per year. The number of fatalities in 2006 increased to the previous 5 year average. The number of jobs has also increased significantly over the last year in high hazard categories such as construction, transportation and warehousing. Also, according to the medical examiners report, 3 of the 6 fatalities in FY06 were workers that were under the influence of marijuana.

**A1: Strategy - Reduce the number of worker fatalities under AKOSH jurisdiction by focusing compliance, consultation and outreach efforts on the causes of fatalities.**

**Target #1:** 3% reduction in the number of workplace fatalities per 100,000 employees compared to the previous 5 year average.

**Measure #1:** The change in the rate of workplace fatalities per 100,000 employees compared to the average for the previous 5 years.

**Workplace Fatalities**

Fiscal Year	Yearly Rate	Previous 5-year Average	% Change
FY 2004	0	2.33	0
FY 2005	1.32	1.87	-42%
FY 2006	1.93	1.43	35%

**Analysis of results and challenges:** This statistic will be calculated using workplace fatality reports submitted to the Alaska Occupational Safety and Health (AKOSH) section and employment statistics maintained by Research and Analysis. AKOSH will reduce workplace fatalities through a combination of consultation and enforcement activities targeted on eliminating the most prevalent causes of fatalities in industries with high fatality rates. Employment in high hazard industries such as construction, transportation and warehousing has increased significantly in the past three years. According to the medical examiners report, 3 of the 6 fatalities in FY06 were workers that were under the influence of marijuana.

**B: Result - Reduce the number of worker lost time injuries and illnesses in the workplace that are within AKOSH jurisdiction.**

**Target #1:** 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

**Measure #1:** The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.

**Worker Lost Time Injuries and Illnesses**

Fiscal Year	Rate	% Change
FY 2001	3.59	
FY 2002	3.24	-10%
FY 2003	2.73	-16%
FY 2004	1.94	-29%
FY 2005	2.29	18%
FY 2006	2.24	-2%

**Analysis of results and challenges:** Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 38% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused

inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data. Significant reductions were achieved in the first two years of implementing the strategic plan, but due to increases in construction employment and other high hazard resource development jobs, the high percentage reductions were not sustainable.

In FY06, the section added a Safety Consultant position to focus more effort toward assisting employers in these high hazard categories. In FY07, a Compliance Assistance Specialist was added to assist employers to achieve safer worksites while under enforcement processes. As the enforcement program exclusively targets high hazard employers, the Compliance Assistance Specialist has focused accident reduction efforts with the greatest potential for achievement.

To help put the rate into perspective, there were 6,941 recorded injuries with 309,382 employees in FY06 and 7,263 recorded injuries with 296,508 employees in FY02. Even though nearly 14,000 employees have been added to the Alaska economy over this time period, there were 322 fewer recorded injuries in FY06.

### **B1: Strategy - Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.**

**Target #1:** 3% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries.

**Measure #1:** The change in the rate of lost time injuries and illnesses per 100 employees in the construction and transportation industries compared to the previous year.

#### **Lost Workday Illness/Injury Rates for Transportation and Construction**

<b>Fiscal Year</b>	<b>Trans. Rate</b>	<b>% Change</b>	<b>Const. Rate</b>	<b>% Change</b>
FY 2001	3.53		7.59	0
FY 2002	3.50	-.9%	7.39	-3%
FY 2003	3.10	-11%	6.16	-17%
FY 2004	2.84	-8%	4.21	-32%
FY 2005	3.33	+17%	4.38	+4%
FY 2006	4.22	+27%	3.34	-24%

**Analysis of results and challenges:** Alaska Occupational Safety and Health (AKOSH) will reduce illnesses and injuries by targeting consultation and enforcement efforts on the causes of lost work day illnesses and injuries in construction and transportation. AKOSH obtains illness and injury data from Workers' Compensation insurance claim data and employment statistics maintained by Research and Analysis. Due to increased resource development projects, the construction, transportation and warehousing industries have increased significantly over the past three years. The increased activity creates a challenge for the AKOSH staff to keep up with the number of inspections required to impact the industry accident rate.

## B2: Strategy - Improve voluntary compliance with Occupational Safety and Health requirements.

**Target #1:** Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

**Measure #1:** The percentage change in the number of VPP and SHARP sites in comparison to the previous year.

### VPP and SHARP Sites

Fiscal Year	VPP Sites	SHARP Sites	Total Sites	%Change
FY 2001	3	3	6	
FY 2002	3	5	8	33%
FY 2003	4	11	15	88%
FY 2004	6	12	18	20%
FY 2005	6	12	18	0
FY 2006	11	11	22	22%

**Analysis of results and challenges:** The SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement inspections for 18 months, is not significant when Alaska provides a 12-month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and VPP participation will be improved by promoting the benefits of the program to businesses. Consultants will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP and SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

## C: Result - Reduce hazards to life and property posed by unsafe boilers/pressure vessels, plumbing and electrical work and elevators within Mechanical Inspection's jurisdiction.

**Target #1:** Zero loss of life or property caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.

**Measure #1:** Total number of boiler/pressure vessel, plumbing, electrical or elevator incidents resulting in loss of life or property.

### Incidents of Loss of Life or Property

Fiscal Year	Boiler/Pressure Vessel	Plumbing	Electrical	Elevators
FY 2004	0	0	0	0
FY 2005	0	0	0	0
FY 2006	0	0	0	0

**Analysis of results and challenges:** On 1/1/04 Mechanical Inspection began tracking the specific number of incidents causing loss of life or property as a result of unsafe boilers or pressure vessels, plumbing and electrical work and elevators. Mechanical Inspection will strive to inspect boilers, pressure vessels and elevators by the inspection due date and eliminate code violations. Mechanical Inspection will eliminate hazards to life and property by inspecting electrical and plumbing work and pursue correction of any code or licensing violations identified. It is extremely important to maintain a zero incident rate as a single incident would result in catastrophic results for Alaskans.



**C1: Strategy - Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.**

**Target #1:** Reduce boiler inspection backlog by 33% per year.

**Measure #1:** Annual percentage change in the number of overdue inspections in comparison to the previous year.

**# of Overdue Boiler Inspections and Percentage Change**

Fiscal Year	# of Boilers	% Change
FY 2001	6,200	
FY 2002	7,200	+16%
FY 2003	5,268	-27%
FY 2004	2,996	-43%
FY 2005	2,737	-9%
FY 2006	3,033	+11%

**Analysis of results and challenges:** Mechanical Inspection tracks boiler/pressure vessel inspection due dates and inspection certifications. Boiler Inspectors work to complete inspections for all boilers/pressure vessels due for inspection, while eliminating overdue boilers/pressure vessels from the backlog. In FY 2006, an inspector position was vacant for most of the year causing the rate of reduction to decline. Furthermore, new units were installed in FY06, which has further stressed inspection resources.

**Target #2:** 80% of boiler and pressure vessel code violations corrected upon inspection.

**Measure #2:** Percentage of boiler and pressure vessel violations corrected compared to the total number detected.

**Boiler Violations**

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2001	1,434	1,152	80%
FY 2002	905	636	70%
FY 2003	1,242	809	65%
FY 2004	1,189	789	66%
FY 2005	763	573	75%
FY 2006	739	618	84%

**Analysis of results and challenges:** Mechanical Inspection currently tracks the number of code violations identified during inspections and verifies corrections. Inspectors will inspect boilers and pressure vessels for code compliance and focus on pursuing enforcement actions to obtain verifications that code violations have been corrected. The number of code violations corrected is affected by the timing of the correction. Corrections may not be realized until the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

**C2: Strategy - Eliminate electrical and plumbing code violations.**

**Target #1:** 80% correction of electrical code violations identified through inspection.

**Measure #1:** Percentage of electrical code violations corrected compared to the total number detected.

**Electrical Violations**

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2001	768	534	69%
FY 2002	287	221	77%
FY 2003	666	259	39%
FY 2004	188	232	123%
FY 2005	775	636	82%
FY 2006	793	644	81%

**Analysis of results and challenges:** Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review electrical work during random on-site inspections to verify that code requirements are met. The percentage change in code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

**Target #2:** 80% correction of plumbing code violations identified upon inspection.

**Measure #2:** Percentage of plumbing code violations corrected compared to the total number detected.

**Plumbing Violations**

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2001	243	136	56%
FY 2002	176	70	40%
FY 2003	565	262	46%
FY 2004	679	442	65%
FY 2005	856	675	79%
FY 2006	819	676	83%

**Analysis of results and challenges:** Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review plumbing work during random on-site inspections to verify that code requirements are met. The percentage change in code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase the percentage.

**C3: Strategy - Eliminate elevator code violations.**

**Target #1:** 80% correction of code violations identified through inspection.

**Measure #1:** Percentage of code violations corrected compared to the total number detected.

**Elevator Violations**

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2001	708	377	53%
FY 2002	819	315	38%
FY 2003	1,128	589	52%
FY 2004	820	601	73%
FY 2005	1,131	651	58%
FY 2006	1,444	801	56%

**Analysis of results and challenges:** Mechanical Inspection maintains data on elevator inspections, code

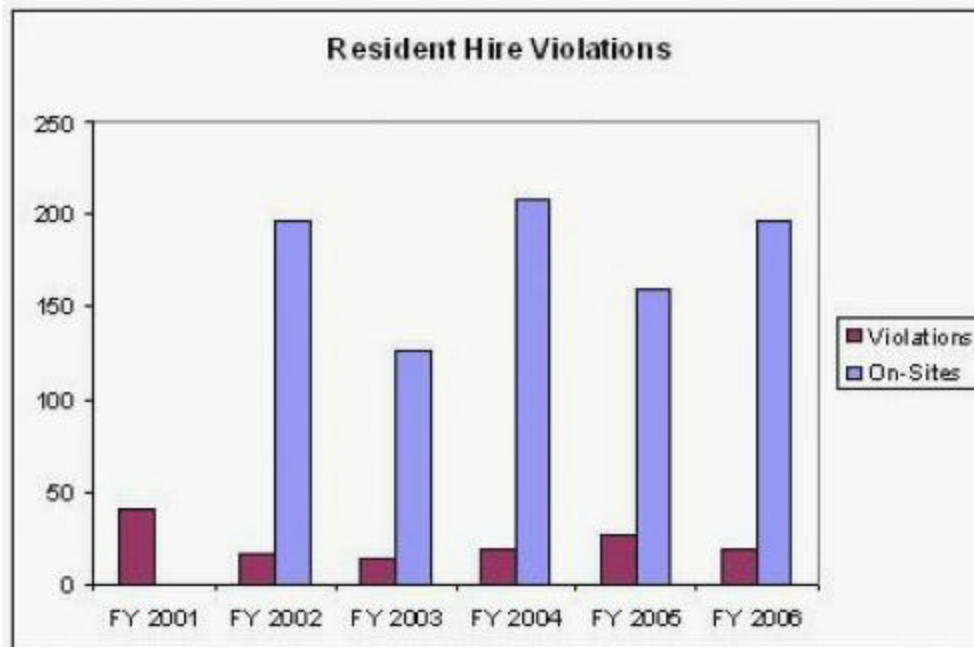
violations and abatements. Elevator Inspectors strive to perform timely inspections of elevators, escalators, wheelchair lifts and other lifting devices for code compliance. The number of code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

In FY06, 16 new elevator units were installed in Alaska. Initial inspection is time consuming and further stresses inspection resources.

#### **D: Result - Full compliance with Alaska's Employment Preference Act (AS 36.10).**

**Target #1:** 20% reduction in ratio of Alaska Employment Preference Act violations to on-site inspections compared to the previous year.

**Measure #1:** Percentage change in the ratio of violations to on-site inspections compared to the previous year.



Fiscal Year	# Violations	# On-Sites	Violations/On-Site Ratio	% Change
FY 2001	40			
FY 2002	16	196	8%	
FY 2003	13	126	10%	+26%
FY 2004	19	209	9%	-11%
FY 2005	26	160	16%	+79%
FY 2006	19	196	10%	-38%

**Analysis of results and challenges:** The number of on-site inspections and number of violations identified are tracked each year. In FY03, the number of on site inspections was reduced following the elimination of a Wage and Hour Technician position. In FY05, two Wage and Hour Technicians were added back into the budget to review certified payrolls and this allowed existing investigative staff to increase the number of on-site inspections. In FY06 another Wage and Hour Technician was added to assist with statewide resident hire enforcement through certified payroll reviews. Increased certified payroll reviews resulted in an increase in the number of violations identified and required investigators to spend more time evaluating and resolving the violations, which resulted in fewer on-site inspections.

In FY06, the number of violations was reduced as a result of certified payroll reviews and educational campaigns to promote the benefits of Alaska hire. However, although the ratio of violations to on site inspections was reduced significantly in FY06, only 4% of the 4,602 public construction projects were inspected. In FY07, an investigator position was added to increase the number of on-site inspections to identify Alaska hire violations

and verify accurate reporting.

Given existing on-site inspection capabilities and with increased public construction projects on the horizon, additional investigative staff are necessary to adequately ensure Alaska hire compliance through on-site inspections.

### D1: Strategy - Reduce the number of Alaska resident hire violations.

**Target #1:** Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

**Measure #1:** Percentage of certified payrolls checked for compliance.

#### Certified Payrolls

Fiscal Year	# Received	# Audited	% Checked
FY 2001	N/A	6,428	Not Avail
FY 2002	N/A	6,653	Not Avail
FY 2003	N/A	4,853	Not Avail
FY 2004	16,770	762	5%
FY 2005	43,942	9,215	21%
FY 2006	42,027	20,929	55%

**Analysis of results and challenges:** Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls has increased. The department's FY 2007 proposal for an on-line certified payroll system has been approved. The number of certified payrolls checked should increase to 100% when this system goes on-line in FY08. This program will allow improved tracking of resident hire and apprentice utilization performance.

### E: Result - Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.

**Target #1:** Maintain average wage claim resolution time to 6 months or less.

**Measure #1:** Average claim resolution time.

#### Wage Claim Resolution Time

Fiscal Year	# Months	% Change	# of Valid Claims
FY 2001	8.9		555
FY 2002	6.0	-33%	417
FY 2003	8.1	+35%	375
FY 2004	7.9	-2%	397
FY 2005	5.3	-33%	466
FY 2006	5.5	+5%	419

**Analysis of results and challenges:** The Wage and Hour Administration tracks the average length of time required to resolve wage claims and strives to thoroughly investigate and resolve claims as quickly as possible. Although there are numerous employment conditions enforced by Wage and Hour (return transportation, child labor, record keeping, minimum wage, overtime, etc.), the length of time necessary to resolve wage claims is a representative measure of the agency's ability to ensure legal employment conditions.

To ensure that wage claims are justly resolved, investigators are tasked to collect facts from the claimant and the employer to determine the validity of the claim and the strength of the evidence supporting the claim. By reviewing wage claims more frequently and creating standards for claim resolution times, approval for court action and disposition procedures, the section will maintain claims handling efficiency at less than 6 months. This replaces the 7 month goal from FY06.

The section investigated 514 new claims in FY06 and determined 95 to be invalid, for a total of 419 valid claims

filed in the year. Of the 465 claims closed in FY06 (some of which were filed in previous fiscal years), 78% resulted in a collection for the employee. The section collected \$617,255.55 for an average of \$1,327.43 per claim. In some cases, collection is not possible due to bankruptcy or other collection difficulties.

### **E1: Strategy - Reduce wage claims by improving employer education efforts.**

**Target #1:** Increase the number of employer briefings by 5% from the previous year.

**Measure #1:** The percentage change in the total number of employer briefings in comparison to the previous year.

#### **Employer Educational Briefings**

<b>Fiscal Year</b>	<b>% Change</b>	<b># Briefings</b>
FY 2001	0	6,748
FY 2002	-9%	6,161
FY 2003	+47%	9,046
FY 2004	+3%	9,282
FY 2005	+10%	10,166
FY 2006	+12%	11,351

**Analysis of results and challenges:** The Wage and Hour Administration currently tracks the number of employer briefings. This strategy will be achieved through continued efforts to provide seminars, on-site visits, and quick and accurate responses to employer inquiries. The improvement in this area is expected to level out in FY08 and FY09; we expect to adjust the goal to maintain the level of briefings once that happens.

## Employment Security Results Delivery Unit

### Contribution to Department's Mission

The mission of the Employment Security RDU is to provide labor exchange, employment and training services, and unemployment insurance to Alaskans and Alaskan businesses thereby advancing opportunities for employment and providing economic stability for communities in Alaska.

### Core Services

The Employment and Training Service (ETS) component provides basic labor exchange services, available to all Alaskans by matching employers with job seekers, and specialized employment and case management services for veterans, public assistance recipients, older workers, disabled workers and unemployed workers.

The Unemployment Insurance (UI) program assesses and collects employer contributions for deposit into the UI Trust Fund and pays UI benefits to workers who are temporarily unemployed.

The Adult Basic Education (ABE) Program prepares Alaskans for employment by providing instruction in the basic skills of reading, writing, mathematics, and General Educational Development (GED) preparation and testing through grantees. Emphasis is given to integrating practical life skills and workplace readiness skills into instruction.

End Results	Strategies to Achieve Results
<b>A: More Alaskans with jobs.</b>  <u>Target #1:</u> Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year. <u>Measure #1:</u> Percent of Workforce Investment System participants that enter employment.	<b>A1: Increase the number of Alaskans who get jobs.</b>  <u>Target #1:</u> Increase the number of Workforce Investment System participants who receive a staff assisted service by 500 as compared to the previous year. <u>Measure #1:</u> Change in number of Workforce Investment System participants who received staff assisted services.  <u>Target #2:</u> Increase the number of Workforce Investment System participants by 500 as compared to the previous year. <u>Measure #2:</u> Change in number of Workforce Investment System participants.  <u>Target #3:</u> Increase the percentage of Workforce Investment System participants who demonstrate increased basic skills knowledge (reading, writing, mathematics) by 1% as compared to the previous year. <u>Measure #3:</u> Percent of Workforce Investment System participants who demonstrated educational gain.  <u>Target #4:</u> Increase the number of job openings placed by employers by 1,000 as compared to the previous year. <u>Measure #4:</u> Change in the number of job openings posted on the department's labor exchange system.
End Results	Strategies to Achieve Results
<b>B: Economic Stability of Local Purchasing Power.</b>	<b>B1: Improve timeliness of UI benefit payments.</b>

**Target #1:** Maintain local purchasing power during periods of economic downturn.

**Measure #1:** Increase percent of wage replacement provided by Unemployment Insurance to reflect national target of 50%.

**Target #2:** Maintain local purchasing power during periods of economic downturn by keeping the reciprocity rate at or above 50%.

**Measure #2:** Percent of unemployed workers eligible for unemployment insurance benefits (Reciprocity rate).

**Target #1:** Exceed federal timeliness benchmark of 87% of initial payments within 14 to 21 days.

**Measure #1:** Percent of timely initial payments to unemployment insurance claimants.

### Major Activities to Advance Strategies

- Increase job ready registrations.
- Increase job matching activities.
- Provide job search skills and training.
- Provide labor market information.
- Increase access to services via web-based technology.
- Marketing and outreach to employers.
- Integrate employment and training services.
- Establish information and referral mechanisms with partner agencies.
- Gather skills information from job seekers in remote areas.
- Improve labor exchange technology.
- Provide more front-end services.
- Train call center personnel.
- Implementation of call center case management system.
- Provide individual time management training to staff.

### FY2008 Resources Allocated to Achieve Results

**FY2008 Results Delivery Unit Budget: \$51,072,000**

**Personnel:**

Full time	388
Part time	43
<b>Total</b>	<b>431</b>

### Performance Measure Detail

#### A: Result - More Alaskans with jobs.

**Target #1:** Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.

**Measure #1:** Percent of Workforce Investment System participants that enter employment.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total
FY 2006	53%	52%	54%	53%	53%
FY 2007	0	0	0	0	Forecast 54%

**Analysis of results and challenges:** New federal reporting requirements went into effect beginning 7/1/2005. The employment data is tracked via a cumulative 4 quarter total. The purpose of the new requirements is to implement common measures between federal employment and training programs and includes changes to criteria for "participants" and "exits" both of which impact the entered employment rate. Prior year data is available but not comparable for this measure because of these changes.

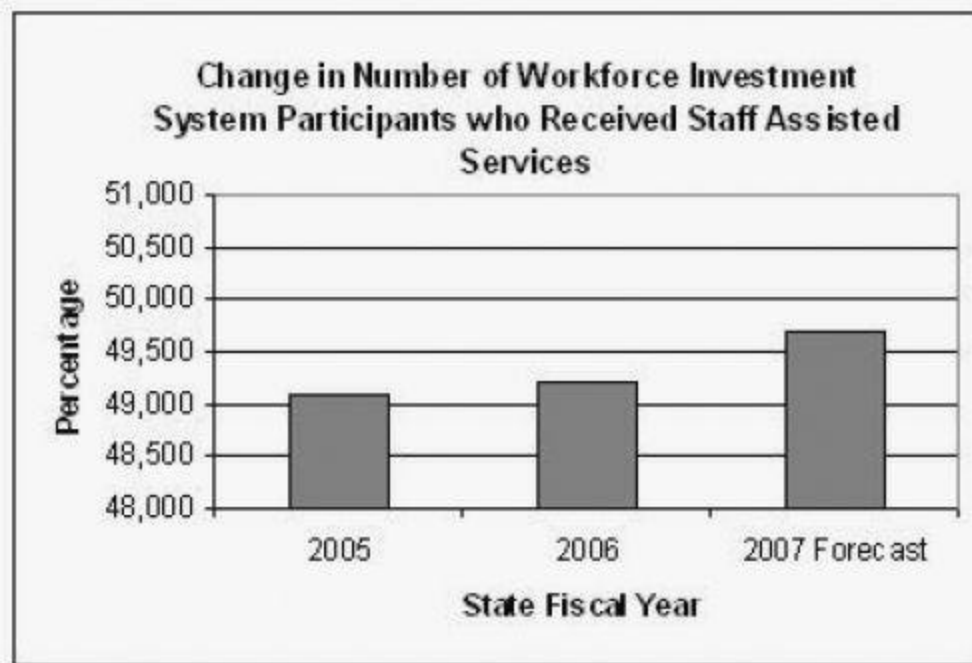
The Workforce Investment System incorporates a wide variety of employment preparation and training services. The program serves all job seekers including those who have multiple barriers to employment that require more intensive services such as case-management and job training that may take up to two years to complete. The wide variety of clients served leads to a lower aggregate percentage of participants entering employment than is seen in a targeted training program dealing with a limited group of participants.

Fiscal Year 2006 is the base line year for new federal measures including the entered employment percentage, and should be the baseline year for our State entered employment measure. In Fiscal Year 2006 there were a total of 78,087 participants, an increase of 13,920 over the previous year. Of these participants, 41,280 entered employment which is an increase of 10,194 over the previous year.

### A1: Strategy - Increase the number of Alaskans who get jobs.

**Target #1:** Increase the number of Workforce Investment System participants who receive a staff assisted service by 500 as compared to the previous year.

**Measure #1:** Change in number of Workforce Investment System participants who received staff assisted services.



Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2005	14,318	11,113	10,663	13,001	49,095	0
FY 2006	12,581	8,552	10,106	17,945	49,184	89
FY 2007	0	0	0	0	Forecast 49,684	Forecast 500

**Analysis of results and challenges:** Over the last several years the Employment & Training Services component has been making more and more services available via the internet in order to increase and improve access by Alaskans statewide. The most recent online service is the Alaska Labor Exchange system (ALEXsys) that was implemented April 17, 2006. This new system reduces job seekers' reliance on in-person and time-consuming visits with staff, and connects them with employers immediately upon posting a resume. This enables staff to be available to assist those workers with significant barriers to employment who need staff assisted services the most. ALEXsys also tracks the services provided both online and in-person.



**Target #2:** Increase the number of Workforce Investment System participants by 500 as compared to the previous year.

**Measure #2:** Change in number of Workforce Investment System participants.

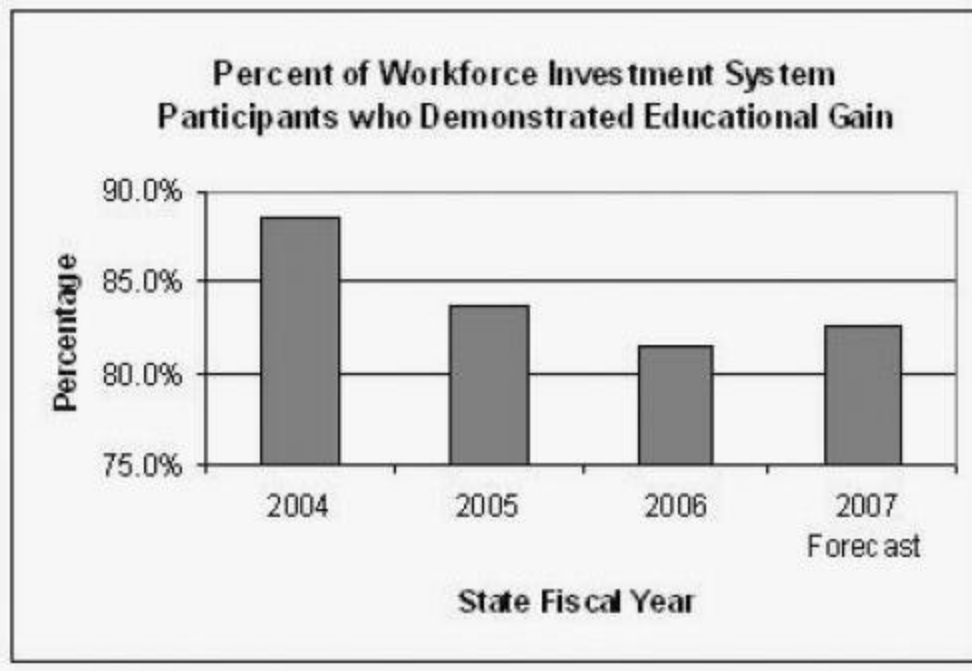
Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Average	Change
FY 2006	78,750	77,505	76,740	79,351	78,087	13,920
FY 2007	0	0	0	0	Forecast 78,587	Forecast 500

**Analysis of results and challenges:** New federal reporting requirements have altered our previous definition of a "registrant" to that of a "participant". This new definition allows for an individual to be counted as a participant more than once in any given four-quarter reporting period if they resume receiving services after having a break in service of 90 days or more. This has resulted in an increase in our overall participation rate.

Fiscal Year 2006 is a new baseline year for federal measures including the total number of participants, and should be the State's baseline year for this measure.

**Target #3:** Increase the percentage of Workforce Investment System participants who demonstrate increased basic skills knowledge (reading, writing, mathematics) by 1% as compared to the previous year.

**Measure #3:** Percent of Workforce Investment System participants who demonstrated educational gain.



#### Demonstrated Educational Gains

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total
FY 2004					88.5%
FY 2005	81.0%	83.7%	84.9%	85.3%	83.7%
FY 2006	81.7%	81.7%	81.9%	81.2%	81.6%
FY 2007	74.0%	0 0%	0 0%	0 0%	Forecast 82.6%

**Analysis of results and challenges:** Beginning in FY2004, the percentage reported represents the educational gain demonstrated by students who were given both pre and post-tests assessing basic reading and math skills.

Data on the pre and post-tested students became available in FY2004 when a statewide Adult Basic Education (ABE) database was developed.

Since 2005, further refinements and improvements in testing students and reporting data in the statewide system were introduced which resulted in the percentage dropping slightly from the previous year. The ABE testing and reporting system in Alaska continues to be a "work in progress" as enhancements are introduced. More fluctuation in the percentages are anticipated with the introduction in 2006 of the on-line computerized version of the reading and math assessment, TABE (Test of Adult Basic Education).

In 2006, there was an influx of young participants requesting ABE and tutoring as a result of the State of Alaska high school qualifying exit exams. The baseline number of participants increased, but the exiting of these participants were not captured and therefore not counted in the above percentage.

**Target #4:** Increase the number of job openings placed by employers by 1,000 as compared to the previous year.

**Measure #4:** Change in the number of job openings posted on the department's labor exchange system.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2003					44,632	0
FY 2004	11,619	8,875	11,443	13,986	45,923	1,291
FY 2005	15,344	9,397	12,386	16,783	53,910	7,987
FY 2006	17,033	12,199	12,093	7,309	48,634	(5,276)
FY 2007	0	0	0	0	Forecast 49,634	Forecast 1,000

**Analysis of results and challenges:** The 4th quarter of Fiscal Year 2006 showed a sharp decline, primarily because of the transition of the job openings data base from a mainframe to an online system. Now that the online system is in place the number of job openings listed is projected to increase annually at a steady pace.

## B: Result - Economic Stability of Local Purchasing Power.

**Target #1:** Maintain local purchasing power during periods of economic downturn.

**Measure #1:** Increase percent of wage replacement provided by Unemployment Insurance to reflect national target of 50%.

### Percent of Wage Replacement

Year	Total
2002	27.9%
2003	27.3%
2004	26.6%
2005	25.8%
2006	Forecast 25.5%

**Analysis of results and challenges:** The objective of the unemployment insurance weekly benefit amount is to provide a wage replacement that is high enough to cover the claimant's non-deferrable expenses, but not so high as to undermine the incentive to return to work. Alaska's decrease in wage replacement percentage over the years is because the average weekly wage for Alaska continues to go up each year while the average weekly benefit amount remains roughly the same. USDOL encourages a 50% wage replacement rate. The national average is 34.6%.

In 2005 Alaska's wage replacement rate decreased to 25.8%, resulting in Alaska placing 50th in the Nation.

Update: 2006 data will be available September 2007.

**Target #2:** Maintain local purchasing power during periods of economic downturn by keeping the reciprocity rate at or above 50%.

**Measure #2:** Percent of unemployed workers eligible for unemployment insurance benefits (Reciprocity rate).

**Percent of Unemployed Workers Eligible for UI Benefits**

Year	Total
2002	59.2%
2003	54.7%
2004	52.3%
2005	53.0%
2006	Forecast 53.0%

**Analysis of results and challenges:** Used by USDOL to measure the effectiveness of a States' Unemployment Insurance Program, reciprocity rate is the percentage of unemployed workers eligible for unemployment benefits. Alaska's reciprocity rate is well above the national average of 30.7%. This is due in part to Alaska's qualifying wage requirements being very low (a person only has to have earned \$1,000.00 in a base period to qualify for a benefit year). This causes Alaska's reciprocity rate to be high in comparison to other states because other states qualifying wage requirements are much higher than Alaska's. In addition, Alaska's continuing eligibility requirements are less restrictive than other states. Both Alaska's rate and USDOL's rate will fluctuate from year to year simply because the number of unemployed workers fluctuates from year to year as does the percentage of workers that end up qualifying for benefits.

During calendar year 2005 'average weekly unemployed' was 22,875. During the same year the 'average weeks compensated' was 12,122.

Update: 2006 data will be available September 2007.

**B1: Strategy - Improve timeliness of UI benefit payments.**

**Target #1:** Exceed federal timeliness benchmark of 87% of initial payments within 14 to 21 days.

**Measure #1:** Percent of timely initial payments to unemployment insurance claimants.

**Percent of Timely Initial Payments to UI Claimants**

Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2006	98.1%	* 92.3%	92.4%	0	Forecast 92.5%

**Analysis of results and challenges:** \*In 2006, 2nd quarter, the federal timeliness benchmark changed to 87% of initial payments made within 14 to 21 days from 95% of initial payments within 35 days. The data reported for 2nd quarter 2006 and the forecast for 2006 reflect this change. Data from prior years is available but is not comparable due to the federal measure change.

## Business Partnerships Results Delivery Unit

### Contribution to Department's Mission

The Business Partnerships RDU contributes to the department's mission by designing and implementing employment and training programs that align with Alaska business and industry workforce demands and that result in participant employment and in building a prepared workforce.

### Core Services

The Business Services component designs and implements programs based upon the broad policy oversight of the Alaska Workforce Investment Board and upon Alaska business and industry demands for a trained workforce. Business Services provides administration, technical assistance, program development and design, reporting of program performance and evaluation, and grant management of federal and state funds.

The Workforce Investment Board component supports the Alaska Workforce Investment Board (AWIB), which is responsible for the oversight and continuous improvement of the federal, state, and local partnerships that implement the workforce investment system. This component provides staff to the AWIB and provides policy planning for the training and employment resources for state and federal programs.

The Alaska Vocational Technical Center (AVTEC) offers post-secondary vocational technical education and training for Alaskans. AVTEC provides long-term training in 15 different business and industry fields and a wide variety of short-term training and educational programs. AVTEC coordinates with secondary education programs in preparing career paths for Alaska high school students to fill the 70 - 80% of jobs that do not require a college degree.

The Kotzebue Technical Center Operations Grant component provides funds to the Alaska Technical Center (ATC) located in Kotzebue. ATC offers residential adult vocational training through the Northwest Arctic Borough School District. ATC operates programs in building industrial technology, office occupations, mine maintenance technology and health occupations in addition to short-term training in response to statewide industry needs.

The Southwest Alaska Vocational and Education Center Operations Grant component provides market driven vocational and technical training in rural Alaska.

The Yuut, Elitnaurviat, Inc. People's Learning Center Operations Grant component will provide a career learning center for adults and high school students with a focus on health, education including early childhood, aviation and construction.

The Northwest Alaska Career and Technical Center (NACTEC) component provides high school students with the necessary resources and skills to prepare them for skilled employment opportunities and the pursuit of postsecondary education. At NACTEC, students receive instruction in four focus areas: career and technical skills, career exploration, life skills and soft skills.

End Results	Strategies to Achieve Results
<p><b>A: Increase un-subsidized employment through job training.</b></p> <p><u>Target #1:</u> Increase to 97 percent the participants satisfied with services.</p> <p><u>Measure #1:</u> Percent of participants satisfied with services.</p> <p><u>Target #2:</u> At least 95 percent of trained participants will enter employment</p> <p><u>Measure #2:</u> Percent of trained participants entering</p>	<p><b>A1: Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</b></p> <p><u>Target #1:</u> At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities.</p> <p><u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p> <p><b>A2: Maximize the return on investment for training</b></p>

employment	<p><b>resources.</b></p> <p><u>Target #1:</u> At least 90 percent of AVTEC long-term graduates are employed in their area of training.</p> <p><u>Measure #1:</u> The percent of AVTEC long-term graduates employed in their area of training.</p> <p><u>Target #2:</u> Within six months of training, 50 percent of a participant's training costs will be matched by earning changes.</p> <p><u>Measure #2:</u> Change in participant's earnings after six months equaling 50 percent of the cost of training.</p> <p><b>A3: Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.</b></p> <p><u>Target #1:</u> Meet all negotiated performance standards.</p> <p><u>Measure #1:</u> The number of negotiated performance standards that are met.</p> <p><u>Target #2:</u> At least 77 percent of AVTEC students complete long-term programs.</p> <p><u>Measure #2:</u> The percent of AVTEC students who complete long-term programs.</p>
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### Major Activities to Advance Strategies

- Management Information System (MIS) training for all grantees on a continuous as-needed basis. MIS data conversion and system redesign.
- MIS common measure training package delivered to frontline staff and sub-recipients by 09/30/07.
- Submit Report on Training programs by 02/15/07.
- Update Eligible Training Provider List (ETPL) procedures by 03/30/07.
- Conduct National Emergency Grant (NEG) program evaluation by 09/30/07.
- Conduct Alaska's High Growth Job Training Initiative for the Energy Industry program evaluation by 12/31/07.
- Submit annual WIA report to USDOL by 10/15/07.
- Update WIA state plan as prescribed by the impending congressional reauthorization of the Workforce Investment Act.
- Define and improve upon program and financial management monitoring, grant solicitation, and negotiation procedures to ensure compliance.
- Determine level of GF investment in workforce development in light of federal funding reductions and employer demand for a prepared Alaska workforce.
- Through new legislation, extend the State Training and Employment Program (STEP) that expires on June 30, 2008 and update regulations.
- Continue the Youth First Initiative through coordination with business, industry and school districts to introduce students to high demand jobs.
- Review and identify High Priority Industries and Occupational Priorities for training by 03/30/07.
- Assist teachers in understanding and using industry job standards in the classroom.
- Continue Alaska Workforce Investment Board endorsed sector strategic plans to maximize Alaska workforce preparation and hire Alaskans.
- AVTEC-Employ full-time placement specialist to coordinate directly with employers to place AVTEC students in jobs upon graduation.
- AVTEC-Host an employment fair at AVTEC in Seward.
- AVTEC-Integrate job search, resume writing, and interview training into all AVTEC long-term training programs.
- AVTEC-Invite industry professionals to participate in mock interviews with AVTEC students.
- AVTEC-Maintain industry advisory boards for each training program to ensure quality and relevance of training.
- AVTEC-Achieve annual nationally recognized skill standards certifications for each training program.
- AVTEC-Conduct student field trips to industry work sites and career fairs.
- AVTEC-Coordinate with student sponsors to improve application screening to help increase prospective student success.

## FY2008 Resources Allocated to Achieve Results

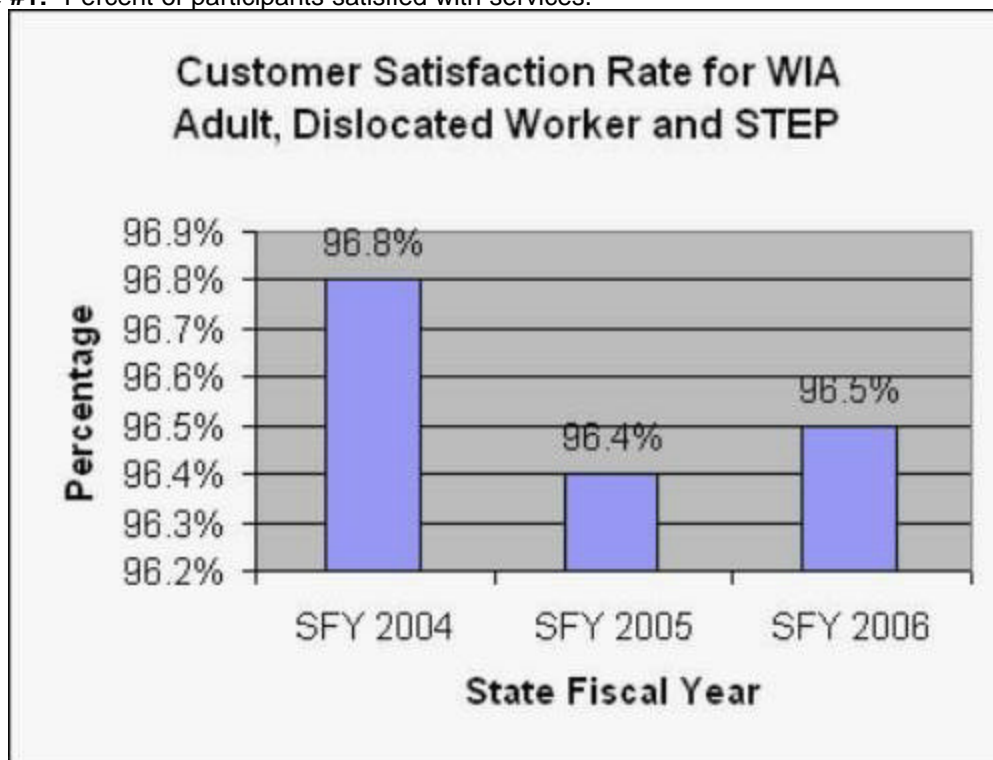
FY2008 Results Delivery Unit Budget: \$58,790,900

## Personnel:

Full time	61
Part time	58
<b>Total</b>	<b>119</b>

## Performance Measure Detail

## A: Result - Increase un-subsidized employment through job training.

**Target #1:** Increase to 97 percent the participants satisfied with services.**Measure #1:** Percent of participants satisfied with services.

## Response Count for Customer Satisfaction

Fiscal Year	Rating 1-4	Rating 5-7	Rating 8-10	Total Responders
FY 2004	82	337	899	1,318
FY 2005	65	289	883	1,237
FY 2006	89	354	1,262	1,705

**Analysis of results and challenges:** The satisfaction rate is combined for the following training programs; WIA Adult, WIA Dislocated Worker, and the State Training Employment Program (STEP). Participants who have received training services are contacted and asked to participate in the survey. Participants are asked to rate their satisfaction with the services they received on a scale of 1 to 10 where 1 is poor and 10 is excellent.

**Target #2:** At least 95 percent of trained participants will enter employment

**Measure #2:** Percent of trained participants entering employment



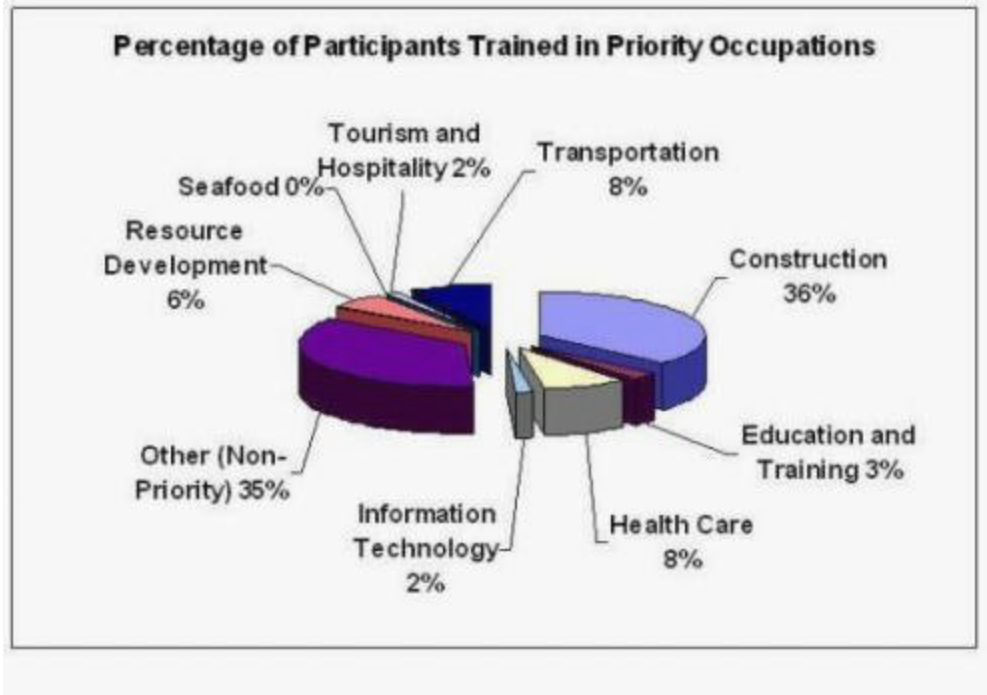
**Analysis of results and challenges:** We determined an aggregate percentage for the Entered Employment Rate that accounts for performance in multiple training programs. We have historical data for the Entered Employment rate for the following programs: WIA Adult, WIA Youth, WIA Dislocated Worker, and the State Training Employment Program (STEP). For SFY 2006 there were a total of 2,629 participants that completed their training of which 2,525 were employed within one year of program participation. SFY07 represents the first quarter of the current state fiscal year ending September 30, 2006.

Business Partnerships has increased its efforts for data accuracy and follow-up with participants after exit. This has provided better outcome numbers for those employed but whose wages do not show up on UI wage data.

**A1: Strategy - Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).**

**Target #1:** At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities.

**Measure #1:** Percent of participants trained in priority industry occupations.



**Analysis of results and challenges:** We continue to allocate our limited training resources focused on priority industries to increase the likelihood that training participants will obtain employment in alignment with these priorities. We use industry priority occupations as criteria of grant awards. The prioritization of industries is based upon demand, growth and high non-residency. The current priority occupations are in the following industries: Health Care, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

SFY2004 57% in priority industry occupations

SFY2005 58% in priority industry occupations

SFY2006 62% in priority industry occupations

SFY2007 65% in priority industry occupations (fiscal year to date)

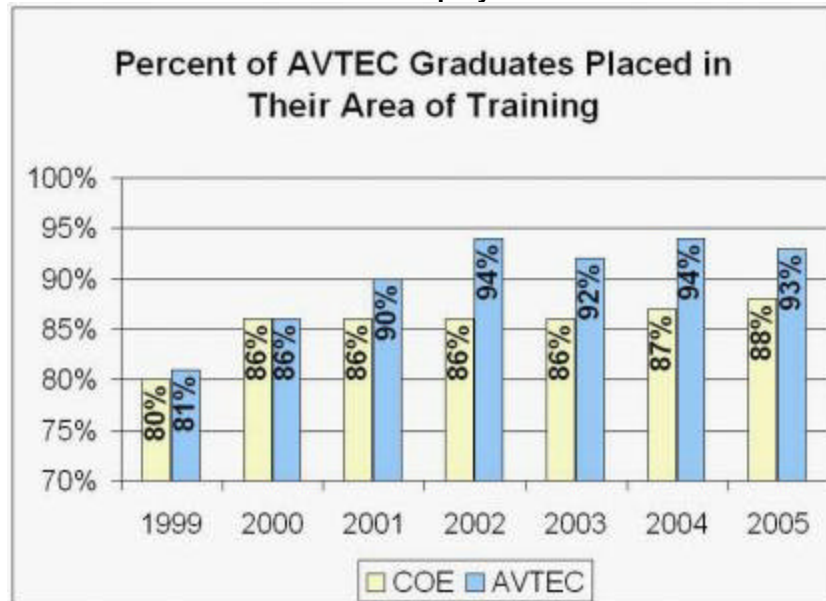
Our Management Information System (MIS) participant data for the first quarter of SFY2007 shows approximately 65% of clients were trained in priority industry occupations. The strategies and processes provide clear direction and encouragement for training participants in priority industry occupations. In addition, we use these priorities to encourage but not require participants as they utilize their "customer choice" options for training.



**A2: Strategy - Maximize the return on investment for training resources.**

**Target #1:** At least 90 percent of AVTEC long-term graduates are employed in their area of training.

**Measure #1:** The percent of AVTEC long-term graduates employed in their area of training.

**Percentage of AVTEC Graduates Who Are Employed**

**Analysis of results and challenges:** The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "graduates of long-term programs employed in their area of training" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2005, AVTEC has consistently met or exceeded the benchmark. AVTEC only tracks the long-term (longer than six weeks) program graduates for this measure.

Graduates are followed for one year for employment purposes so graduate values continue to increase on a monthly basis. For 2005, of 259 long-term graduates, 241 gained employment in their area of training.

**Target #2:** Within six months of training, 50 percent of a participant's training costs will be matched by earning changes.

**Measure #2:** Change in participant's earnings after six months equaling 50 percent of the cost of training.

**Combined Rate of Return on Investment for STEP & WIA Programs**

Fiscal Year	Earnings Change	Expenditures	% of Expenditures
FY 2006	\$8,638,404	\$12,902,312	67.0%

**Analysis of results and challenges:** The Division of Business Partnerships calculates the combined rate of Return on Investment for the State Training and Employment Program (STEP) and federal Workforce Investment Act (WIA) programs by dividing the aggregate difference of pre and post earnings by the amount expended in the same state fiscal year.

With declining WIA funds the division is putting more emphasis on grantee's being more cost aware in their grant negotiations and training costs per participant. Given that, we should see a better return on investment in the coming year.

### A3: Strategy - Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.

**Target #1:** Meet all negotiated performance standards.

**Measure #1:** The number of negotiated performance standards that are met.

Program Measure	Goal	Actual
Adult Entered Employment Rate	72.0%	72.0%
Adult Retention Rate	83.0%	82.5%
Adult Six Month Earnings Change	\$5,000	\$6,211
Dislocated Worker Entered Employment Rate	77.0%	74.6%
Dislocated Worker Retention Rate	88.0%	84.3%
Dislocated Worker Six Month Earnings Change	\$2,200	\$4,434
Older Youth Entered Employment Rate	70.0%	77.3%
Older Youth Retention Rate	72.0%	82.1%
Older Youth Six Month Earning Change	\$3,600	\$4,263

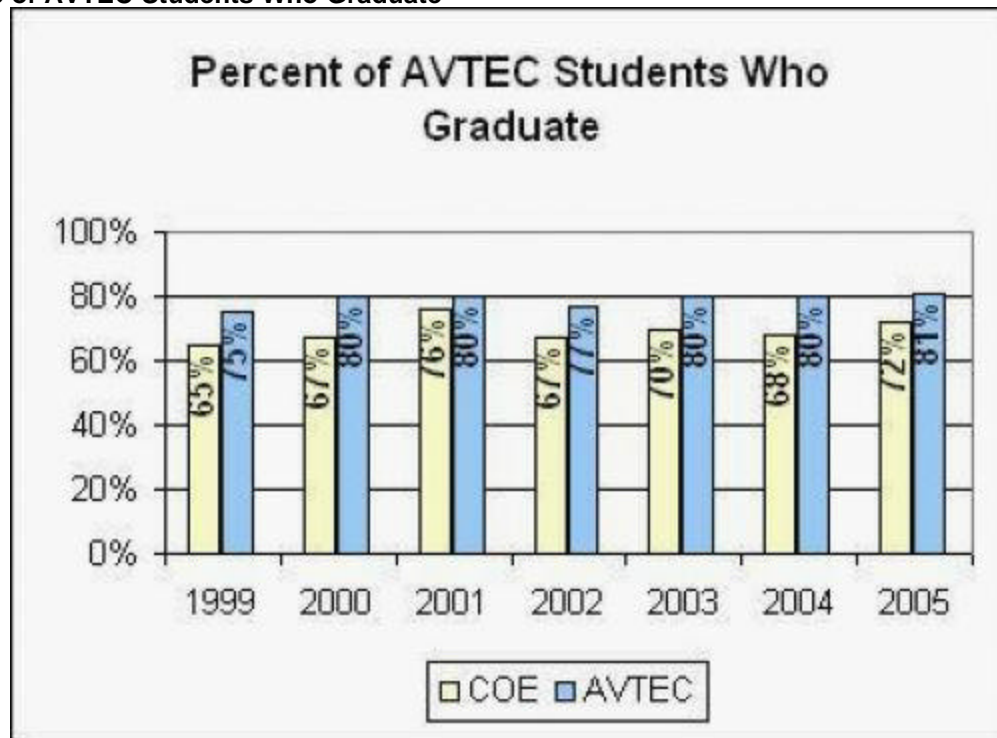
**Analysis of results and challenges:** There are a total of 22 state and federal negotiated performance standards for the WIA Adult, Dislocated Worker, Youth and STEP programs. These measures vary by program and by program year. For SFY06 Business Partnerships met or exceeded all of our measures according to the acceptable performance levels set by the US Department of Labor, which states that if you are within 80% of your negotiated performance rate, you have met your goal.

Some of the most important measures include the Entered Employment Rate, Retention Rate and Earnings Increase. These measures show outcomes for participants that have exited a training program. These rates show that not only are over 72% of all of our participants exiting our programs and gaining employment but also have an average annual positive increase to their wages by over \$2,400 for Adults, by \$4,400 for Dislocated Workers and by over \$1,320 for Older Youth.

**Target #2:** At least 77 percent of AVTEC students complete long-term programs.

**Measure #2:** The percent of AVTEC students who complete long-term programs.

**Percentage of AVTEC Students Who Graduate**



**Analysis of results and challenges:** The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "students that complete long-term training programs" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2005, AVTEC has consistently exceeded the benchmark.

Most of AVTEC's programs are 8-10 months long so values will continue to increase on a monthly basis. For 2005, of 343 students (excluding those still enrolled), 279 graduated.

## Vocational Rehabilitation Results Delivery Unit

### Contribution to Department's Mission

The Division of Vocational Rehabilitation contributes to the department's mission by assisting individuals with disabilities to obtain and maintain employment.

### Core Services

The Division of Vocational Rehabilitation is a combined federal/state program under the authority of the Rehabilitation Act of 1973, as amended in 1998. The division works to assist in accomplishing the individualized employment goals of each person with a disability. A full array of vocational rehabilitation services, independent living services, support and assistance in employment, assistive technology, and referrals are offered.

In partnership with other state agencies, private sector businesses, vendors, and non-profit organizations, individuals are assisted in obtaining and maintaining employment. The division also provides training to employers on hiring practice changes and training and assistance regarding the Americans with Disabilities Act.

The division adjudicates claims on behalf of the Social Security Administration for Title II and Title XVI applicants for disability benefits and provides referrals for services. In addition, the division is the agency responsible for executive branch compliance with the Americans with Disabilities Act and Administrative Order #129.

End Results	Strategies to Achieve Results
<p><b>A: Alaskans with disabilities enter employment and become more economically self-sufficient.</b></p> <p><u>Target #1:</u> Equal prior year's number of employed individuals exiting the vocational rehabilitation program.</p> <p><u>Measure #1:</u> Number of employed individuals exiting the vocational rehabilitation program.</p> <p><u>Target #2:</u> The average wage of employed individuals exiting the program is 65% of the State's average wage.</p> <p><u>Measure #2:</u> Percentage of the average wage of individuals exiting the program employed as compared to the federally reported average state wage.</p>	<p><b>A1: Improve timeliness of service delivery.</b></p> <p><u>Target #1:</u> 85% of eligibility determinations made within 60 days.</p> <p><u>Measure #1:</u> Percent of eligibility determinations made within 60 days.</p> <p><u>Target #2:</u> 70% of Individualized Plans for Employment (IPEs) developed within 100 days.</p> <p><u>Measure #2:</u> Percent of IPEs developed within 100 days.</p> <p><b>A2: Exceed the federal standard for successfully completed Individual Plans for Employment (IPEs).</b></p> <p><u>Target #1:</u> 56% or more of IPEs are successfully completed with individuals exiting the vocational rehabilitation program employed.</p> <p><u>Measure #1:</u> Percent of successfully completed plans.</p>

### Major Activities to Advance Strategies

- Improve customer service through integrated services at Job Centers to increase employment opportunities for Alaskans with disabilities
- Educate employers, partners and customers to assist people with disabilities to achieve their career goals.
- Develop partnerships with employers for assessment sites.
- Build partnerships with Centers for Independent Living.

## FY2008 Resources Allocated to Achieve Results

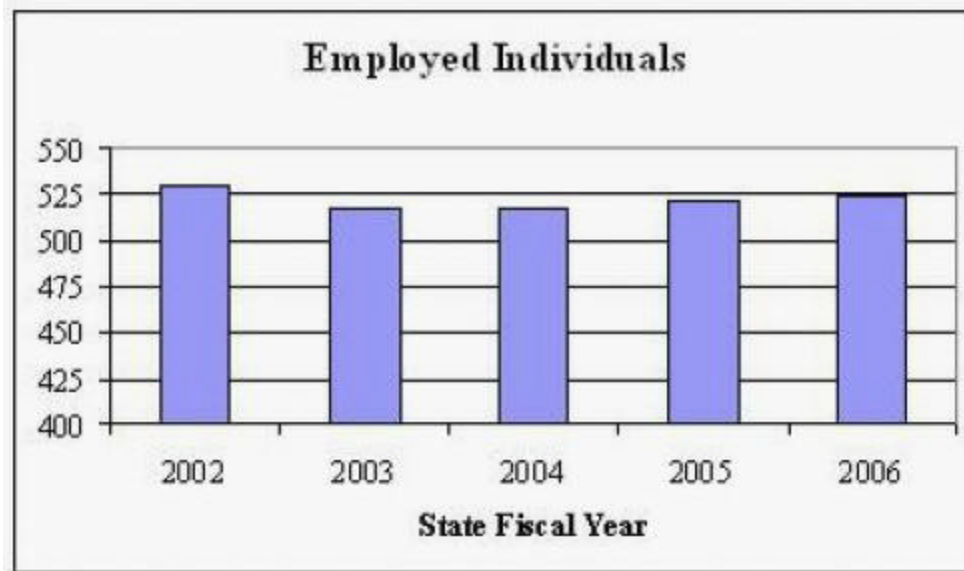
FY2008 Results Delivery Unit Budget: \$24,690,200

## Personnel:

Full time	131
Part time	1
<b>Total</b>	<b>132</b>

## Performance Measure Detail

## A: Result - Alaskans with disabilities enter employment and become more economically self-sufficient.

**Target #1:** Equal prior year's number of employed individuals exiting the vocational rehabilitation program.**Measure #1:** Number of employed individuals exiting the vocational rehabilitation program.

## Employed Individuals

Fiscal Year	YTD Total
FY 2002	530
FY 2003	517
FY 2004	517
FY 2005	521
FY 2006	524

**Analysis of results and challenges:** An individual must be working for a minimum of 90 days prior to being counted as a person exiting the vocational rehabilitation program as employed. The number of individuals employed has remained relatively consistent for the past few years even though the number of applicants entering the program has declined. In FY2005 DVR served 4,036 individuals and in FY2006 we served 3,960.

Both staff and financial resources also affect the number of individuals the division is able to assist in becoming employed. With level funding and the difficulty the agency has in recruiting qualified staff to replace our retiring experienced counselors, the division is challenged to maintain the current level of production.

**Target #2:** The average wage of employed individuals exiting the program is 65% of the State's average wage.

**Measure #2:** Percentage of the average wage of individuals exiting the program employed as compared to the federally reported average state wage.

#### VR Consumer Wages as a Percent of State Wages

Fiscal Year	YTD Total	Target
FY 2002	69%	65%
FY 2003	70%	65%
FY 2004	66%	65%
FY 2005	67%	65%
FY 2006	67%	65%

**Analysis of results and challenges:** Alaska DVR works with individuals with disabilities to help them find good jobs with wages that allow them to become self-sufficient and with career opportunities.

The federal standard for the average wages of those exiting the VR program employed should equal 52% of the state's average wages. Alaska VR believes we should do better than this national goal and have set our target at 65%.

The Bureau of Labor Statistics shows the current average wage in Alaska is \$19.33. The current average wage for VR consumers exiting the program employed is \$12.93 which is well above the State's minimum wage of \$7.15.

#### A1: Strategy - Improve timeliness of service delivery.

**Target #1:** 85% of eligibility determinations made within 60 days.

**Measure #1:** Percent of eligibility determinations made within 60 days.

#### Percent of Eligibility Determinations made within 60 Days

Fiscal Year	YTD Total
FY 2002	80%
FY 2003	80%
FY 2004	76%
FY 2005	84%
FY 2006	82%

**Analysis of results and challenges:** Making an eligibility decision within 60 days from application is good customer service, good rehabilitation and is based on federal regulation. An individual is also less likely to leave the program if there is action on their case. The Division's goal of 85% exceeds the Federal goal of 75%.

Federal regulations do allow for eligibility extensions when there are circumstances beyond our control and the individual agrees to an extension. When these extensions are included, the percentage increases to 92%. Extensions indicate the VR counselor is actively involved in the case and work is being done to make an eligibility decision.

Even so, the Division is taking the following steps to increase the actual number of determinations made within 60 days:

1. Provide additional training to counselor and managers on use of monitoring tools and importance of timely case movement; and
2. Additional oversight at Division level.

**Target #2:** 70% of Individualized Plans for Employment (IPEs) developed within 100 days.

**Measure #2:** Percent of IPEs developed within 100 days.

**Percent of IPEs Developed within 100 Days**

Fiscal Year	YTD Total
FY 2002	68%
FY 2003	68%
FY 2004	63%
FY 2005	63%
FY 2006	56%

**Analysis of results and challenges:** This is a stretch target for the division and is self imposed. The division believes timely plan development is good customer service and keeps the individual active and involved with the vocational rehabilitation process.

The people we are serving have very complicated lives and the planning process often gets interrupted. Plan development is also the time in the vocational rehabilitation process when various assessments are done to determine the individual's interests and capabilities. These activities do not always go as planned due to missed appointments or other issues.

The division has set a goal that 70% of the plans will be written and implemented within 100 days. We have been unsuccessful in meeting this goal but are unwilling to give up trying. Recent data analysis indicates that we have had a 36% turnover in our counseling staff in the last two years and a 45% turnover in support staff. Hopefully as our staff stabilizes and becomes better trained, we will begin to see an improvement in this strategy.

**A2: Strategy - Exceed the federal standard for successfully completed Individual Plans for Employment (IPEs).**

**Target #1:** 56% or more of IPEs are successfully completed with individuals exiting the vocational rehabilitation program employed.

**Measure #1:** Percent of successfully completed plans.

**Percent of Completed IPEs Resulting in Employment**

Fiscal Year	YTD Total
FY 2002	59%
FY 2003	58%
FY 2004	62%
FY 2005	62%
FY 2006	62%

**Analysis of results and challenges:** An Individual Plan for Employment (IPE) is considered successfully completed when an individual receives the necessary services as identified on the IPE to obtain employment and the employment is maintained for 90 days.

IPEs are very comprehensive and time consuming to develop as they delineate the employment goal, the type of services required to reach said goal, the estimated costs, who will provide the services and the length of time to complete the plan. Successful plans require the knowledge of certified vocational rehabilitation counselors, active client involvement, labor market research and evaluation of the client's abilities.

This measure speaks to the above being done thoroughly and efficiently with successful employment outcomes. The division has elected to use the federal standard for this strategy as it helps to remind staff of the importance of good planning without giving undue emphasis to those plans that do not succeed.